

Friday March 27 1981

No 60,887

Price twenty pence

THE TIMES

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Prospects for a new
age of the
steam train, page 21

SDP launched with aim of 'reconciling the nation'

The Social Democrats launched themselves as a new political party at a crowded news conference in London yesterday, promising to "reconcile the nation" and "heal divisions between classes". A report late last night said that 8,000 people had told the party that they wanted to join.

New party almost forgets Liberals

By Fred Emery
Political Editor

With promises to "reconcile the nation" and "to heal divisions between classes", the Social Democrats yesterday duly launched themselves into the fray as a new political party, the first in Britain to be run, in policies and selection, on a one-member-one-vote basis.

With their eyes set on the next election, and on the chance they detect of winning, with the Liberals, a majority in the Commons, the Gang of Four almost forgot the Liberals and the way to form the next government.

At a crowded news conference in London, staged brilliantly for television, and with a chorus of applauding supporters, it was only under reporters' questions that the Liberals got a mention. And it was only at the very end that Mrs Shirley Williams, one of the founding co-leaders of the party, ventured that they would have "great influence on the future of the country and a chance, with the Liberals, of forming the majority."

The launching of the new party was mentioned at Commons question time. Mrs Thatcher sought to ridicule the Social Democrats as "all divisions of Socialism", with Mr Michael Foot, the Labour leader, protesting.

None of the four leaders—Mr Roy Jenkins, Dr David Owen, Mr William Rodgers, and Mrs Williams—mentioned the Liberals in their brief opening statements: nor had he statement of principles, and the elaboration of the Limehouse Declaration entitled "Twelve Tasks for Social Democrats".

But Mr David Steel, Liberal leader, promptly asked, after he prophesied: "Can two talk together, except they be agreed?"

In a speech prepared for delivery in the Scottish Liberal conference in Glasgow, he urged "a joint policy agreement, a joint election campaign, and joint agreements on constituency candidates".

"This involves swallowing one's pride on both our parts, or the Social Democrats it involves recognizing us as graciously than they have in the fact that Liberals not have their analysis of what is wrong with our political system: we were advocating the right solutions long before they were." Social Democrats had now "got quickly into discussion with us to secure agreement on issues."

The Social Democrats doubtless agree. Mr Rodgers said: "We want a new relationship with them. We need it for electoral purposes." But their emphasis is on themselves. Their new members, on the record, were it intended putting up candidates in about half the 635 seats at the next election—excluding Northern Ireland, where they would set up no organization.

**Danes break
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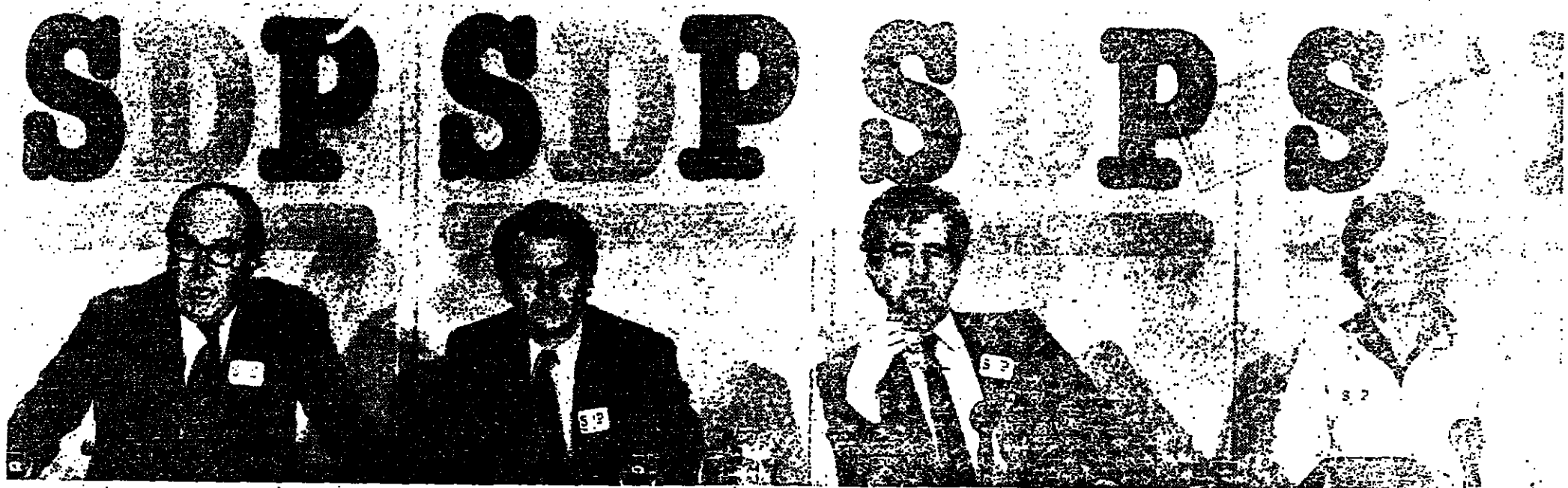
A Staff Reporter
Five hundred dockers in the North-eastern ports will go on strike today because a fish ferry company yesterday left in Danish dockers to cargo which 18 dockers at Shields have refused to tie in a strike over pay.

move by DFDS Danish ferry was condemned by the British union as a serious breach of national and international agreements.

18 British dockers are loved by the company and been on strike since Monday.

Tom Connery, regional secretary of the General and Municipal Workers' Union, told the dockers at Blyth, Thorne and Sunderland he said yesterday that when they, the Winston Churchill, arrived at North Shields for regular passage from the regular cargo.

th-east dockers are meet- ing Newcastle today to discuss the duration of their strike and any other action they take. Mr Connery said he is getting in touch with GWU dockers at Grimsby Harwich, where Danish ships also called.



Party launch: The Social Democrats' Gang of Four, Mr Roy Jenkins, Dr David Owen, Mr William Rodgers and Mrs Shirley Williams, meeting the press in London yesterday.

One in ten jobs cut in British factories

By Melvyn Westlake

One in ten of all jobs in Britain's manufacturing industries has been wiped out by the recession during the last year, a statistic which is bound to intensify widespread concern at the pace of de-industrialization.

Figures published yesterday by the Department of Employment show that the number of jobs in manufacturing industry had sunk to 6,190,000 by January, compared with 6,910,000 a year earlier and well over seven million when the recession started in mid-1979. Since that time, manufacturing employment has contracted by some 12 per cent.

In 1980 alone, the fall in manufacturing employment has exceeded the drop which took place in both the previous worst postwar recession years taken together—1974 and 1975.

However, it is not only manufacturing that is being hit this time. Employment in service industries is also proportionally estimated to have slumped by 100,000 in the last three months of last year, after a fall of a similar order in the third quarter.

Until the present recession, employment in the service industries had been growing almost continuously, expanding by 1,750,000 in a decade.

The loss of jobs in the economy is considerably greater than the increase in recorded unemployment, as many people are drifting out of the labour market altogether.

As a result of such trends, total employment is thought to have dropped by 350,000 in the last three months of 1980, while registered unemployment rose by about 200,000. The total workforce is therefore contracting in spite of an increase in the population of working age, which had previously been expected to expand the labour force by 200,000 a year.

The drop in manufacturing employment is a reflection of the large fall in demand experienced by this sector. The output of manufacturing industry is estimated to have slumped by about 14 per cent during 1980.

The extent to which this represents permanent de-industrialization remains unclear. The term implies a reduction in the nation's capacity to produce certain goods, but how much of the drop in manufacturing employment involves a permanent reduction in capacity has still to emerge.

It is clear that many more jobs in manufacturing would have disappeared if there had not been a big fall in overtime and a sharp jump in short-time working.

Commons recess

The House of Commons will adjourn for the Easter recess on Thursday, April 16, and return on Monday, April 27.

Mrs Thatcher says inquiries failed to incriminate Sir Roger Hollis

By Peter Hennessy,
Craig Seton
and Stewart Tendler

The Prime Minister yesterday cleared Sir Roger Hollis, the former head of MI5, of working as a Soviet agent within Britain's counter-espionage service. He had, she told the Commons, been investigated like many others in the aftermath of the Philby affair but two inquiries had failed to incriminate him.

In a statement prompted by a series of reports in the Daily Mail this week written by Mr Chapman Pincher, Mrs Thatcher said the record of the security services had improved since the days of Philby. But since methods of infiltration can change over the years she had asked the Security Commission to report on the risks and defences.

Mr Pincher's articles, based on his book *Their Trade is Treachery*, published yesterday, have mentioned other figures apart from Sir Roger but Mrs Thatcher, strongly critical of the book, said she would not comment on those interpretations might be placed on who was mentioned and who was not.

Mr Pincher has alleged that the late Lord Bradwell, formerly Mr Tom Driberg, MP, had worked as a spy for both Britain and Russia. He has also identified Mr Charles Ellis, a senior MI6 man, now dead, as a spy for Germany and possibly Russia.

Mrs Thatcher said that the book contained material which was "inaccurate or distorted". She confined her comments to Sir Roger, Mr Philby and Professor Anthony Blunt. In referring to Professor Blunt she implied that he might have been a far more important spy than had been admitted by Whitehall.

The investigations into penetration had also led to a number of people being moved from sensitive posts or taking retirement early. Those actions had been taken when it was found impossible to secure evidence on which charges could be laid.

Mrs Thatcher said that investigations into Soviet penetration stretched back to events 40 years ago. Many of the people named or implicated in Mr Pincher's book as those investigated were dead or long retired. None was still in public service.

All the cases referred to in the book were part of investigations which covered "not only those suspected of being guilty but also those who could conceivably fit the often inconclusive leads available", the Prime Minister said.

As the Commons listened in silence, she went on: "Apart from the main allegation I do not propose to comment on the other allegations and insinuations in this book. Nor can I say which allegations are unsubstantiated or untrue, as some certainly are, since by doing so I should implicitly

be indicating those which were suspected of having a degree of substance."

Turning to the case of Sir Roger, Mrs Thatcher, who had revealed Professor Blunt as a spy in 1979, said: "The case for investigating Sir Roger Hollis was based on certain leads which suggested, but did not prove, that there had been a Russian agent at a relatively senior level in British counter-intelligence in the last years of the war."

The leads did not identify

Sir Roger and could have applied to Mr Philby or Professor Blunt. But he was investigated since he fitted some of the leads.

Sir Roger was investigated after his retirement in 1965. Mrs Thatcher said: "It did not conclusively prove his innocence; indeed it is very often impossible to prove innocence; that is why in our law the burden of proof is placed upon those who seek to establish guilt."

No evidence incriminated Sir Roger and at the end of the inquiry it was concluded that he was not a Soviet agent. But that view was challenged by some of those concerned. In July, 1974, Lord Burke Trend, former Secretary of the Cabinet, began a year-long examination of the case.

The Prime Minister said Lord Trend saw files and talked to those concerned including two people who felt the inquiry should be reopened.

Mrs Thatcher said Mr Pincher's book was wrong to claim that Lord Trend decided there was a strong prima facie case showing MI5 had been penetrated for many years by someone other than Professor Blunt and named Sir Roger as the likely culprit.

Lord Trend had told Mrs Thatcher that he agreed with those who believed that although it was impossible to prove the negative it was concluded Sir Roger had not been a Russian agent.

On defences against penetration, recent achievements showed that success would not have occurred had the security services been penetrated. However, the last review had been held in 1962 and it was time for a re-examination.

The Security Commission would carry that out and the Prime Minister would report to the Commons.

Lord Trend said last night: "You may take it that I concur entirely with Mrs Thatcher's statement. Apart from that I have no comment to make."

Mr Graham Mitchell, a former deputy director of MI5 under Sir Roger, last night confirmed that he was the man code-named "Peters" who had been suspected of being a KGB agent before being cleared by an internal inquiry.

The Security Commission has six members in addition to Lord Diplock. They are Lord Bridge, Lord of Appeal, Lord Greenhill, former head of the Diplomatic Service, Lord Allen of Albury, a retired Permanent Secretary to the Home Office, General Sir Dudley Ward, former Colonel Commandant of the Royal Electrical and Mechanical Engineers, Admiral Sir Horace Law, former Commander-in-Chief, Naval Home Command, and Sir Alan Cottrell, Master of Jesus College, Cambridge, and a former chief scientific adviser to the Government.

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White House fears that Russia is about to intervene in Poland

From David Cross
Washington, March 26

The White House announced today that it was watching with growing concern indications that the authorities in Moscow and Warsaw might be preparing to take repressive action in Poland.

After a meeting of the National Security Council this afternoon, a statement said that Washington was particularly worried about "indications that Polish authorities may be preparing to use force to deal with the continuing differences in the country between the authorities and the labour unions. We are similarly concerned that the Soviet Union may intend to undertake repressive action in Poland," it added.

The statement reiterated earlier warnings by the Administration here that any external intervention in Poland or measures suppressing the Polish people could have a grave effect on the course of East-West relations. "Our position on the situation in Poland has been clear and consistent from the outset. We believe Poland should be allowed to resolve its own problems without outside interference of any kind."

"We have scrupulously implemented that policy in our statements, while acting generously in response to Poland's requests for us for economic assistance," the statement added.

The United States continued to believe that peaceful negotiations between the Polish trade unions and the Government offered the only hope of resolving Poland's difficulties.

Strike move: Solidarity, the Polish free trade union movement, said tonight it was going ahead with the biggest national strike as church and government leaders met in a last attempt to avert the crisis (Reuters report from Warsaw).

State television said General Wojciech Jaruzelski, the Prime Minister, met Cardinal Stefan Wyszyński, the Polish Primate, to discuss ways of urgently overcoming social tension and strikes.

Solidarity announced it was going ahead with a four-hour national strike tomorrow after the Government postponed scheduled peace talks.

Photograph, page 8

Unions to put British Gas offer of 12.7% to workers

By Our Labour Reporter

Union leaders are to recommend acceptance of a 12.7 per cent pay and conditions offer made to workers last night. The offer had been improved by British Gas in seven hours of pay talks in London from an earlier one of 10.2 per cent.

Negotiators noted that the offer, which will add an estimated 11 per cent to average earnings in the industry of £109 a week, was close to the 13 per cent settlements reached by miners and water workers.

As well as proposing an improvement in basic rates in the industry by between 9.7 and 10.7 per cent, British Gas negotiators brought forward from August to May the planned reduction of the working week to 38½ hours from 40.

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Dublin talk called off after attack

By a Staff Reporter

A leading British forensic scientist cancelled a lecture he was due to give in Dublin last night, before lawyers, doctors and members of the Irish judiciary.

It was to have taken place in the arts block of Trinity College, Dublin, where Mr Geoffrey Armstrong, British Leyland's employee relations director, was shot in the legs on Tuesday.

Dr Patrick Lincoln, aged 41, of the London Hospital medical college, said yesterday he had withdrawn after discussion with his hosts the Irish Medico-Legal Society, and senior colleagues at London University.

"We did not feel the lecture was so important that it could not be cancelled and that it did not really justify me putting myself at risk," he said.

Dr John Harbison, president of the society and Ireland's state pathologist, said a 200-seat lecture theatre had been booked for the lecture on the use of blood groups in crime detection.

Lawyers, members of the judiciary and eminent doctors had been invited, he said. "I was worried that not only the speaker but the people might have been exposed to the kind of outrage that happened on Tuesday."

Dr Harbison said the Garda had offered to provide security for the meeting and had given Dr Lincoln, who was in Dublin at the time Mr Armstrong was shot, protection until he flew back to London. He quite accepted Dr Lincoln's feeling that it would be imprudent to go ahead with the lecture.

The shooting, he said, would have a disastrous effect on confidence in Ireland and on the medical world greatly value visits from British experts in Mr Desmond O'Malley, Ireland's Minister for Industry, Commerce and Tourism, was due shortly to hold a meeting in Dublin at a meeting centre, he said. "It is going to be terribly embarrassing for him."



Monument destroyed: Irish police were questioning three men yesterday after the destruction of the Queen Victoria monument which was erected in Dun Laoghaire, the port outside Dublin, to commemorate her visit of 1900 (Our Dublin Correspondent writes). The

attack on the monument and ornate fountain with decorated roof, took place early yesterday morning. A telephone call to a Dublin newspaper said the action had been taken in support of the H-block prisoners in Northern Ireland. A similar claim was made by the three men who shot Mr Geoffrey

Armstrong, the British Leyland manager, in the legs while he was lecturing at Trinity College, Dublin, on Tuesday. The cast-iron monument, which was awaiting repairs after a similar but less serious attack last year, was pulled down with a block and tackle and completely wrecked.

Hunger striker may contest seat

From Christopher Thomas

Belfast

All calculations in the Fermanagh and South Tyrone by-election were thrown into confusion last night as rumours persisted that Provisional Sinn Féin would contest the seat with a hunger striker.

The most likely candidate would be Mr Robert Sands who has been refusing food since March 1. He is the leader of the IRA men at the Maze prison, near Belfast. Mrs Bernadette McAliskey said she would stand aside if a hunger striker was nominated.

She added: "I would look on it as an honour to sign his nomination papers. I will have no hesitation in pulling out if a prisoner goes forward."

Sinn Féin won the seat 25

years ago with a convicted IRA prisoner who was then disqualified because of his criminal record. The runner-up was declared winner.

The chances of an IRA man repeating his triumph on April 9 barely exist because the mainly Roman Catholic Social Democratic and Labour Party is contesting the seat. Other nationalist candidates may also go forward.

The Irish Independence Party, which is small and electorally insignificant, has yet to make up its mind. Mr Noel Maguire, whose brother Frank held the seat since 1974 until his death three weeks ago, showed no signs yesterday of being willing to withdraw in favour of a prisoner.

But he was under strong pressure last night to stand aside. It is highly unlikely that Sinn Féin would stand against Mr Maguire who is a staunch supporter of the prisoners' demand for political status.

The Provisionals took out nomination papers for Mr Sands yesterday as manoeuvring continued.

The Unionist camp was in no better state as vigorous negotiations went on to try to find an agreed candidate to avoid splitting the "loyalist" vote.

The Democratic Unionist Party, headed by the Rev Ian Paisley, was still hoping last night that Mr Harold West, the former MP selected as the Official Unionist candidate, would stand down in favour of somebody who would be accepted as a unity candidate.

Shot Belfast councillor seriously ill

From a Staff Reporter

Belfast

Mr Samuel Millar, the Belfast Unionist councillor shot by the Irish National Liberation Army on Wednesday night, remained seriously ill last night.

He was in his home 1 mile from the Shankill area of the city when gunmen burst in.

A part-time member of the Ulster Defence Regiment, who had taken children to school in a school bus, was shot in the chest and stomach and arm wounds.

Callaghan constituency party calls for inquiry into Militant Tendency

From Tim Jones

Cardiff

The national executive committee of the Labour Party has been asked by Mr James Callaghan's constituency party to investigate the finance and organization of the Militant Tendency.

The move was initiated during a stormy meeting of Cardiff South-east Labour Party management committee during which the former Prime Minister spoke of the concern being expressed on the Continent over the activities of the militant organization.

Because members of the constituency party are asked to declare that they will not speak to the press, it is difficult to establish beyond doubt whether Mr Callaghan voted on the resolution. But it is clear that Mr Callaghan, who is now in India, was in sympathy with the resolution which deplored "factional organizations" which had their own structures and financial resources.

At one stage during the debate Mr Callaghan said there was no doubt in his mind that the tendency was a separate organization outside the strictures of the party. It is equally clear that Mr Callaghan did not oppose the resolution which will increase pressure on the national executive to examine the role of the Militant Tendency.

So effective have been measures to contain the storm within the constituency that one member who was sitting next to Mr Callaghan said he did not notice how he had voted and another claimed he had popped out for a smoke during the crucial vote. Another member of the management committee was prepared to confirm only that Mr Callaghan had spoken.

In fact, Mr Callaghan briefly declared that during a visit to Sweden he had been told by leading politicians that they were concerned with the activities of the Militant Tendency.

Relations between the Militant faction and other party members in the constituency have been strained for a long time and this reached fever point when Mr Andrew Price, a prominent Militant supporter, was elected as delegate to the last party conference. His opponents allege that he secured the vote because the "moderate" vote was split.

Members of the Militant faction reject claims that they are a separate organization, stating that they are merely activists propagating the essential Marxist view of socialism.

The latest dispute was caused by an allegation that members of the faction have been selling copies of the news sheet Militant under the pretence that it is the official party newspaper.

Mr Price, in a statement, said there was "not a shred of evidence" so suggest that Militant supporters had tried to sell their newspaper in an underhand way.

TGWU branches seek block-vote change

By Paul Routledge

Labour Editor

The campaign of the Transport and General Workers' Union huge block vote in the Labour Party and TUC annual conferences has come under strong internal criticism.

Five branches have tabled critical motions for the TGWU's biennial policymaking conference in June arguing for a change in the way the union disposes of its vote.

A number of branches argue for abolition of the block-vote system in favour of decision making either by ballots or branch discussions, and one asks delegates to deplore union support for the left wing of the Labour Party. Members should be consulted "on the way our general secretary" uses the TGWU leaders should ballot all it adds.

In the agenda for the Brighton conference, published yesterday, 10 motions call for the reform of the system that

gives the TGWU delegation to the party conference a 1,250,000 block vote and about 2,000,000 at the TUC congress.

Although the Transport Workers enjoy greater influence than any other affiliate to either organization because of the block vote, not one motion defends the system. One London area branch wants the union to adhere to "the democratic principle of one man, one vote."

Another proposal is that TKWU leaders should ballot all members before any vote is cast on behalf of the union in any election for Labour leaders.

"In any future choosing of Labour Party leaders, this union's voting will be determined by a ballot at shopfloor level", and that principle is recommended for all block votes by a Newcastle branch.

Union leaders meet on May 14 to determine their attitude to that and other controversial issues.

College set to respond on criticism

By Kenneth Gosling

All departments at the Royal College of Art are preparing reports that will be sent to the Department of Education and Science in June as a reply to criticism by the college's visiting committee and reported as leading to the resignation of six members of the college's council.

In the meantime, Mr George Howard, chairman of the BBC, has taken over as chairman. One of the principal criticisms of the committee's report was that the college was failing in its duty to concentrate on the design needs of industry.

Professor Christopher Frayling, professor of cultural history, was delegated by the council yesterday to answer some of the criticisms.

He said: "The disagreement was not over academic policy but over the proper conduct of a university council."

Another weekend of disruption for ports

By Our Labour Editor

Travellers face fresh disruption at ports and airports this weekend during industrial action by Civil Service unions. Continental travel is expected to be particularly badly affected by lightning strikes by customs and immigration staff.

Leaders of the Council of Civil Service Unions last night completed plans for their third weekend of travel dislocation, which will be announced later today.

The unions said 85 Labour MPs had signed a Commons early day motion calling on the Government to enter into "urgent and meaningful" negotiations to resolve the pay dispute and to reestablish an agreed system for pay determination in time for next year's salary settlement.

The MPs argued that long-term damage is being done to industrial relations in the Civil Service by the Government's action in unilaterally abrogating the pay research system and the unions' right to arbitration.

In Stockport, about 2,000 civil servants demonstrated yesterday outside Apsley House, the office block where Inland Revenue management is processing cheques that are normally handled by employees at the strikebound computer centre in Shipley, West Yorkshire.

Four cartographers employed in the Department of the Environment on parliamentary work walked out yesterday. They were producing maps for the London Dockland Corporation Bill, which will now be delayed.

The unions said: "This could be of some political consequence because the Government wants to get the Bill through while there is still a Tory administration in the GLC."

CBI support: Industrialists came out strongly against the civil servants' pay claim last night (Patricia Isdall writes). Sir Terence Beckett, director general of the Confederation of British Industry said in Bristol that it "would be disastrous for industry if the Government gave in to the Civil Service strikers."

Businessmen fully supported the Government's determination not to increase its 7 per cent pay offer, he said. "Public expenditure is excessively high and must be substantially reduced if the severe financial squeeze on manufacturing industry is to be eased."

Associated Newspapers were sued by Mr Dennis Orme, United Kingdom Director of the Unification Church, over an article in the Daily Mail in May, 1978, in which the newspaper alleged that the church brainwashed converts and broke up families.

The judge said the jury would have to decide whether the article was true.

"The newspaper says the Moonies are no church. They are not Christian, but are mean, mercenary and materialistic, they say the Moonies capture and exploit well-educated young people. They use deceit to attract them and then they use deceit to the outside world."

On the other side Mr Orme had said the newspaper had said dishonestly. He said Mr Orme had seemed to summarize his case when he said: "This is the gutter press of Great Britain speaking. It has followed the example of the gutter press and media of the world. What right has the Daily Mail to sit in high judgment?"

Mr Billy Connolly: Civil action defendant.

punch in the back of the neck and kicked him up the backside while wearing pointed-toe cowboy boots.

Mr Farmer, who is claiming £2,000 damages from Mr Connolly, said he was about to leave the house but Mr Connolly gave him a rabbit

BL unions threaten more action

From Clifford Webb

Birmingham

White-collar unions representing 4,500 staff at BL's Longbridge car plant will press management today for the withdrawal of 120 compulsory redundancies.

The meeting follows a two-day strike by staff which ended last night. The unions are threatening a follow-up campaign involving unannounced walk outs by key sections.

Production of Metro, Mini and Allegro models has been maintained during the two days but with increasing difficulty. Picketing has seriously hampered deliveries of engines and other components.

White-collar shop stewards claim to have demonstrated their ability to shut down the assembly lines without actually doing so.

Company sources reluctantly admit that if the strike had continued for a few more days assembly would have been halted and many of the 16,000 manual workers laid off.

Longbridge has been singled out for action by four white-collar unions because the cars it produces account for two-thirds of all BL car sales. With 10 per cent of the United Kingdom market, the Metro alone accounts for nearly half.

Moonies libel case due to end after six months

The case brought by the Moonies sect, against Associated Newspapers, said to be the longest and costliest libel action ever heard in the High Court, is expected to end next week.

Costs, to be paid by the loser, are estimated at £750,000. If the newspaper group loses it will also have to pay damages.

Mr Justice Conyn, beginning his summing-up of the case, which started on October 6, told the jury yesterday: "The final stakes are frighteningly high."

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An invitation to join the Social Democrats.

(Or are you happy with the way things are?)

Our country is in trouble. Our wealth is being squandered, our jobs destroyed, our social services shattered.

And while the two main parties fiddle with outdated philosophies and dogmas, the country burns with indignation.

Today, the Social Democrats invite you to do something about it.

Britain needs a new political party and it needs it now.

But if you want it, you'll have to pay for it.

The SDP has no pipeline from big business or trade unions pumping money into its funds. It will belong to its members and no-one else.

It will be a one-member, one-vote party.

We believe we need an annual subscription of nine pounds to build the party and fight the election.

(At the last election, it's been estimated the two major parties spent over £8 million between them.)

Nine pounds (or the price of 200 cigarettes) is not a lot to pay for a new future, but we recognise some people won't be able to afford as much.

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The Hollis affair: Repudiation

Mrs Thatcher: Pincher book is distorted

By Fred Emery
Political Editor

All Prime Ministers and Home Secretaries since 1974 have been told of the results of Lord Trend's inquiry into Sir Roger Hollis, Mrs Margaret Thatcher disclosed in answers after her statement to the Commons.

She did not explain, and no MP asked her, why she had waited four days to deny an "inaccurate or distorted" the central report of Lord Trend's supposed conclusion made in the Daily Mail last Monday.

Ministers, when asked privately, said that yesterday was the earliest opportunity. The Cabinet, which was told yesterday of the statement's contents, apparently supported her decision to respond to the book, not the original allegation. Ministers profess that they are not in the business of answering every allegation, even though, when pressed, they agree that this was a grave allegation that led to a new Security Commission inquiry.

In the usual Whitehall quarters indignation is professed at the thought that Mrs Thatcher, although in possession both of the knowledge that the Daily Mail was wrong, and aware last week that the book was about to appear, ought to have issued a denial last Monday morning.

Although the Prime Minister did not go to the Maastricht summit until Monday afternoon, she did not, it seems clear, talk to Lord Trend until she came back on Wednesday. She then chose to wait another day before making her statement.

In Whitehall it is said that the book had been read first by the Prime Minister's staff, and there is no acceptance that the delay in any way allowed the original story to be firmly believed, beyond the reach of denial.

In Whitehall it is also not accepted that Mrs Thatcher, by omission in her statement of any praise for Sir Roger or any sorrow specifically for what had been done to his reputation, wanted to leave any implication.

It is also not accepted in Whitehall that the new Security Commission inquiry has been set up purely as an effort to soothe public fears. However, no explanation is offered as to why Mrs Thatcher has agreed to a security review which she did not accept when Mr James Callaghan urged it after the Blunt disclosures.

It was Mr Michael Foot, otherwise acquiescing in the proposed review and saying the country was grateful to Mrs Thatcher for the way she made the statement, who first sprang to the defence of the dead.

Without mentioning names, he said people could be grossly defamed, and the way the dead had been written about had led to grave injustices.



Sir Roger Hollis, former head of MI5: two inquiries and a Prime Minister's statement.

That, he said, should also be taken into account, along with the security issues.

Sir Harold Wilson reminded the House that there had been reasons for anxiety about Sir Roger Hollis, but he added that Professor Blunt and Mr Philby would have been sufficient cause for that anxiety. He disclosed that the Trend inquiry had taken nearly a year, and that it had also concluded that there was nothing to substantiate the accusation of a cover-up.

He also wanted it on record that he was the first of seven Prime Ministers under whom Sir Roger had operated to have set up a Cabinet inquiry.

Mrs Thatcher confirmed that the Trend inquiry examined all documents and interviewed people as well, and had been exhaustive before coming to its conclusion.

Mrs Thatcher declined a suggestion to have one person with common experience added to the Security Commission, put by Mr Richard Wainwright, the Liberal spokesman.

One Conservative backbencher asked Mrs Thatcher to beware of Soviet disinformation practices.

Mr Kenneth Warren, Conservative MP for Hastings, said he believed that it might be not only and unfortunately be inherent in Mr Pincher's book that the Soviet services were seeking to undermine the credibility of loyal citizens and draw attention away from secret agents still in place.

Mrs Thatcher agreed that disinformation was one of the difficulties Britain's services had to contend with. But beyond her statement she did not wish to go.

Mr Francis Pym, Leader of the House, declined later to agree to a debate.



Mrs Thatcher leaving for the Commons yesterday to rebuke, on the right, Mr Chapman Pincher who later refused at a press conference to retract allegations in his book.

Of moles and militants

By Hugh Noyes
Parliamentary Correspondent

As the excitement mounted and the moment for the statement neared, MPs, senior ministers and Opposition leaders flowed into the chamber until every seat was filled.

Was it journalistic imagination or were honourable, learned and gallant members saying each other rather more shrewdly than usual in the aftermath of Mr Chapman Pincher's claims of Soviet infiltration into the corridors of power?

Certainly the rows of unusually distinguished and well-shaven people in the public and VIP galleries suggested that the KGB, CIA, MI5, CBI, TUC or any other combination of initials were well represented, at least in those quarters of the Commons.

In the general excitement, even Sir Geoffrey Howe, the Chancellor of the Exchequer, was equated with a KGB mole by Mr David Winnick, Labour MP for Walsall, North, whom many Tory MPs consider to be a sinister and suspicious character.

At last, the great moment arrived. Every seat was filled. Mrs Thatcher, dressed from head to toe in black, an ominous touch for the more melodramatic of her audience, rose slowly to the dispatch box.

Seated on either side of her, Mr William Whitelaw, the Home Secretary, and Mr Francis Pym, the Leader of the House, settled back on the front bench, looking unusually solemn.

The Prime Minister placed her 2,000-word statement, almost

certainly the longest on security matters to have been made to the House in recent history, on the dispatch box in front of her.

Of the three former prime ministers still in the House, only Sir Harold Wilson was present. Mr Edward Heath is in Torquay and Mr James Callaghan in India. Just as well, perhaps, since Sir Harold's contribution did not add much to the general sum of knowledge on the matter other than to show how much Sir Harold had been on the ball when the chips were down.

Mrs Thatcher ploughed remorselessly through her statement, castigating Mr Pincher and clearing Sir Roger Hollis, while all around her listened in silence. The moles in the galleries were no doubt inwardly heaving sighs of relief that no more names were named and that yet another inquiry was to be the only outcome.

Unexpectedly and to the consternation of the more militant tendencies on the Labour benches below the gangway, the Speaker cut supplementary questions to the Prime Minister to the bare bone. Those who did get in, with the exception of Mr Patrick Duffy, Labour MP for Sheffield, Attercliffe, all sounded remarkably "establishment".

He set the House rumbling by suggesting that if recruits to the security services were chosen from a different social background, we might end up with a more patriotic, dependable and reliable officer. There was a shout of "Well done."

Patrick" from the Labour benches, while a considerable section of Tory MPs sounded as though they would like to put Mr Duffy on the rack and stretch him until his pips squeaked.

Mr Michael Foot, nowadays a respected establishment figure, was so warm in his welcome for Mrs Thatcher's words that the Prime Minister seemed to be breaking down in tears as she replied to that tribute from such an unexpected quarter.

There was increasing restlessness from the more revolutionary elements on the Labour benches as it became clear that they were not going to be called by the Speaker. But, as the Speaker knows to his cost, it is difficult to keep a good militant down.

The Prime Minister had left the chamber, the moles had left the gallery and Mr Pym was answering questions about next week's business.

Suddenly, up jumped Mr Dennis Skinner, that well-known NCM mole from Bolsover, otherwise known as "the beast". On the excuse that he wanted a debate he told the House that what he was concerned about was not so much infiltration by the KGB as infiltration by the CIA.

To the anguish of Eton and The Guards, Mr Skinner pointed out that miners, railwaymen, dustmen and leaving shop stewards had never betrayed their country. Parliamentary report, page 10
Leading article, page 15

The Hollis affair: Reaffirmation

Pincher: The Prime Minister 'has been enormously misled'

By Craig Seton

Mr Chapman Pincher, whose claims about Sir Roger Hollis led to the Prime Minister's statement, insisted yesterday that the innocence of the former head of MI5 had never been established.

He said Mrs Margaret Thatcher must have been enormously and badly misled over certain parts of her statement to the Commons, and he added that he did not retract a word of his book, *The Trade Is Treachery*, in which his allegations are contained.

Mr Pincher, speaking at a press conference to launch the book, published yesterday, said that Mrs Thatcher stated in the Commons that the investigations came after the suspicions over Sir Roger "were inconclusive".

He asked on what evidence Lord Trend (former Secretary of the Cabinet), who conducted the inquiry into the former head of MI5, had cleared him: "The situation was left unproven", he said.

Mr Pincher said: "I have been told repeatedly at high levels in Whitehall that it will never be possible to establish his [Sir Roger's] innocence completely because so many people are dying or getting old. 'It has been suggested in Parliament that he was cleared. I would like to know exactly what is meant by cleared. We had a similar situation with Philby, who was cleared by Harold Macmillan in 1955."

"The Prime Minister said that the suspicion against Hollis could have been attributed to Philby or Blunt. This is absolute nonsense. She must have been enormously and badly misled in this respect. Blunt left MI5 in 1945 and Philby left MI6 in 1951. They had no access to secret information. The information about Hollis, about a high level mole, did not begin until the middle of 1950 and went on into the 1960s. Philby and Blunt could not have been involved in those activities."

Mr Pincher, who insisted that his book was essentially a documentary, and his information concerning the Trend report came from "prime sources from people close to the inquiry or involved in it".

He knew what evidence was not able to clear him entirely. It had been suggested that it was a matter of eliminating Sir Roger, but that was not the case. He was the final and prime suspect.

Mr Pincher said he could appreciate that there were urgent political reasons for saying that Sir Roger was cleared. The Government was in a difficult position regarding the international repercussions.

Mr Pincher said there were five main points in the Hollis affair. MI5 and MI6 formed a group called the Fluency Committee to investigate possible Soviet penetration: it regarded Sir Roger as the chief suspect while head of MI5.

After Sir Roger retired he was recalled for interrogation: the suspicion continued, and Lord Trend was called in to investigate Sir Roger and another known as "Peter". The investigation cleared Peter and was inconclusive about Sir Roger, whose innocence could not be proved.

Mr Pincher welcomed Mrs Thatcher's decision to have an inquiry by the Security Commission. It would not have happened but for the revelations in his book. He did not think he would give evidence.

Closely questioned about what he described as the only main difference between himself and Mrs Thatcher, the Hollis case, Mr Pincher said that when it was said there was no evidence, it meant there was no evidence which could be put before a court of law.

He denied that the source of his information was James Jesus Angleton, a former CIA intelligence chief who had provided material for other writers, or Lady Falkender, Sir Harold Wilson's private secretary.

He said he had never claimed Sir Roger Hollis was a Soviet spy, but that he was investigating as a prime suspect; but questioned whether he thought the former head of MI5 had been a spy. Mr Pincher said he was not competent to judge whether he was a spy or not. However there were people involved in the inquiries who were convinced that he was.

Mr Pincher, who also claimed that MI5 had probably turned off Lady Hollis, Sir Roger's widow, about his forthcoming revelations, leading to her disappearance, also stood by his allegations that Charles Howard Ellis, who became number three in the MI6 hierarchy, was suspected of working for both the Germans and the Russians.

The author, who challenged Mrs Thatcher to identify the pages of his book on which there were inaccuracies, also maintained that the late Lord Bradwell, formerly Mr Tom Driberg, the Labour MP, had been working for both the KGB and MI5. The security services also knew who were secret members of the Communist Party in Britain. Some were Labour MPs, he said.

Mr Pincher said the evidence still suggested that there was a mole at a senior level in the security services in the early 1960s. *The Trade Is Treachery*, by Chapman Pincher (Sidgwick and Jackson, 57-95).

Ellis charge 'absolutely false'

By Stewart Tendler

Sir William Stephenson, code-named "Intrepid" for his wartime espionage work, yesterday challenged allegations that his former deputy had worked for Nazi Germany and possibly the Russians.

In yesterday's Daily Mail Mr Chapman Pincher said Mr Charles Ellis, who rose to be third man in the MI6 hierarchy, confessed in 1965 that he had spied for Germany before the last war and MI5 thought he could have spied later for Russia.

During the war Mr Ellis worked for Sir William in New York and yesterday Sir William said: "Mr Pincher had better give his sources. This is an absolutely false charge."

"Before the war Churchill and others had a private intelligence service which showed the Nazis were on the move and Ellis was a member of that," Sir William said. He brought Mr Ellis to New York because he was "the best man they had" in MI6.

Sir William said: "What the Mail says is absolutely nonsense. I say that in quite positive terms. I knew everything about Mr Ellis. I am absolutely positively certain. He was one of the very few you could be quite certain about."

An Australian by birth, Mr Ellis came to Britain and joined the Army in 1914. He spent many years in the Middle East and studied at Oxford and the Sorbonne. He began a consular

and diplomatic career which was followed by a period as a journalist.

Many of the tasks were cloaks for his intelligence work. He is said to have shunned office politics, preferring to work in the field with agents, whose reports he was said to be an expert at evaluation.

When the last war started Mr Ellis advised Mr J. Edgar Hoover, the late head of the United States Federal Bureau of Investigation, on counter espionage measures before Pearl Harbour.

After the war he worked in the Far East before retiring in 1953, having been awarded in the course of his career an OBE, CBE, and the American Legion of Merit.

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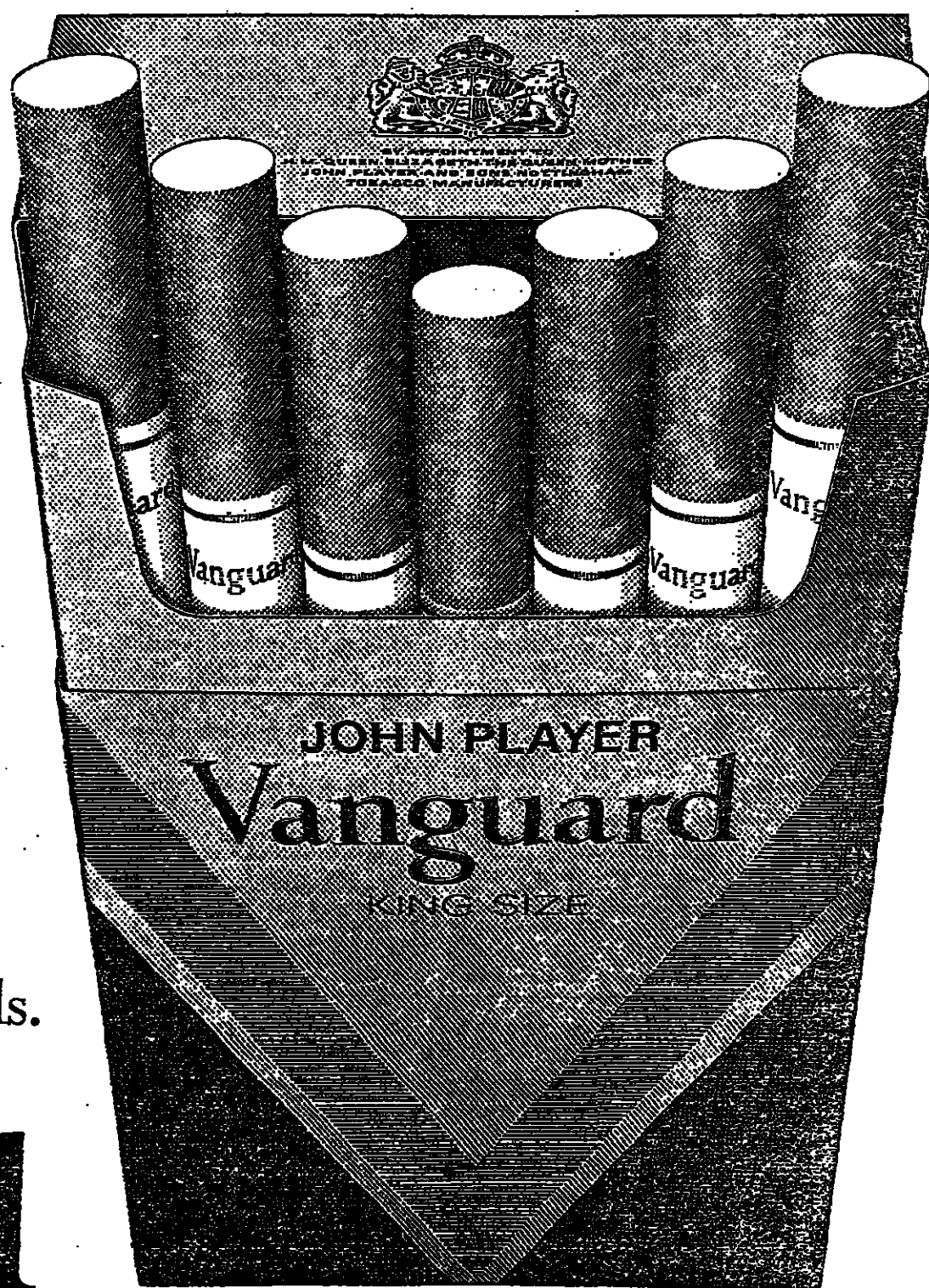
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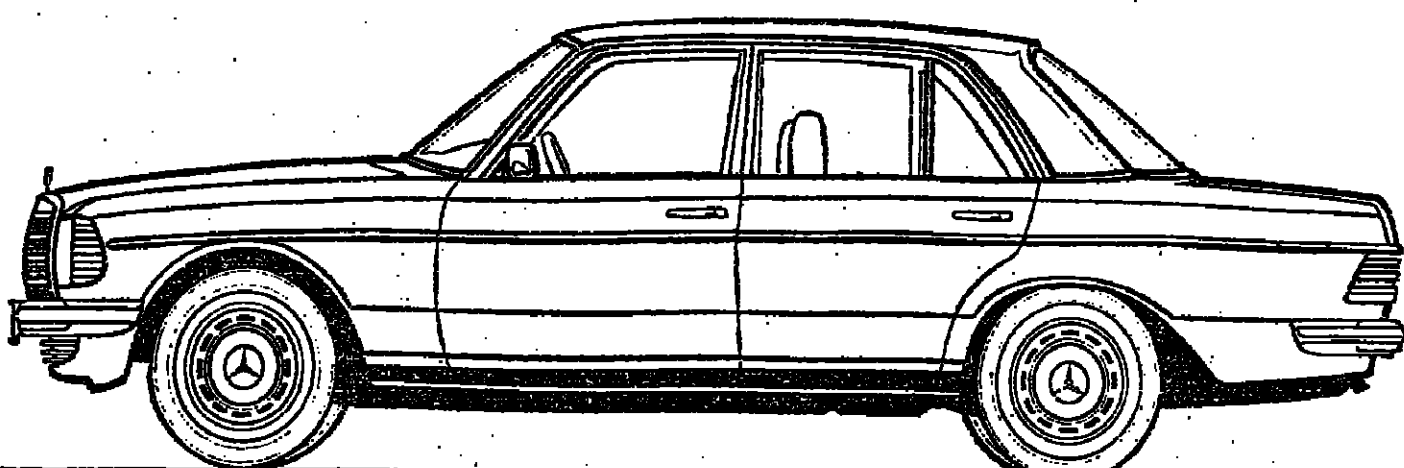
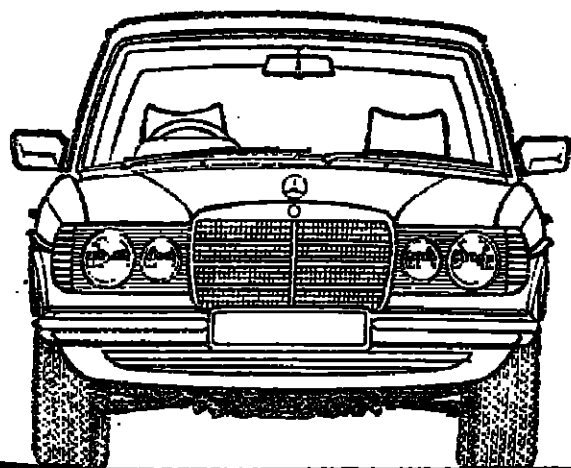
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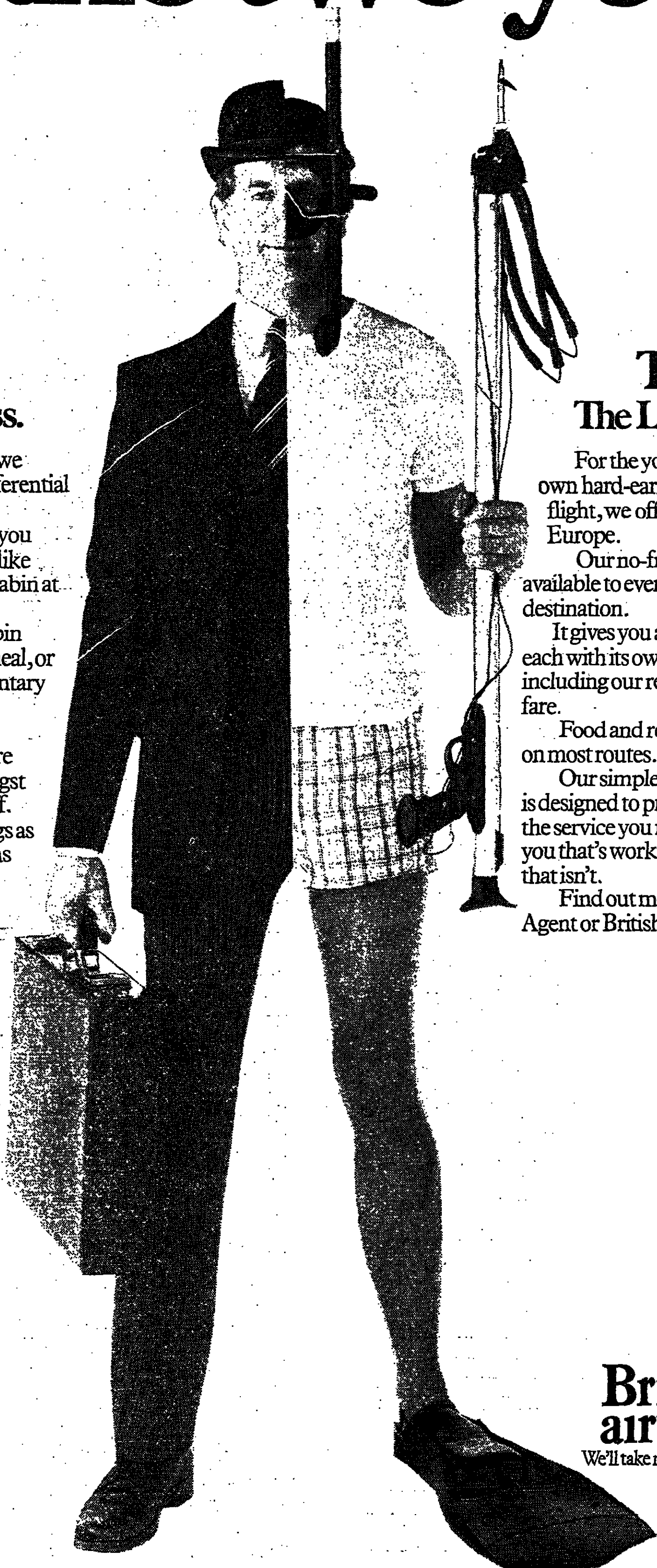
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West Bank polls put off to stop PLO win, general admits

From Christopher Walker
Ramallah, March 26

Brigadier-General Ben-Eliezer, military commander of the Israeli-occupied West Bank, disclosed today that elections to the 25 Arab municipalities in the area had been postponed indefinitely because the expected victory of supporters of the Palestine Liberation Organisation (PLO) would have wrecked the Camp David peace process.

The surprising admission came during one of the rare press conferences held by the Israeli-born paratrooper general during his two and a half years in charge of the West Bank. It confirmed the claim frequently made by local Palestinians that there has been an upsurge of support for the PLO among the 720,000 West Bank Arabs.

Asked why the elections had not been held as scheduled last April, the general stated: "We made our studies of the atmosphere and we came to the conclusion that it would be to the benefit of the local population to postpone the election. If we had let the elections, the results would have been very clear—once and for all to bury the Camp David process."

General Ben-Eliezer, 47, is responsible for the hardline security policy now in operation throughout the West Bank, claiming that the elections were not required by law, but were a privilege granted by Israeli military government. "We have to make sure that the local atmosphere is such that the population will not be voting under pressure," he explained.

The shelving of the elections has caused widespread bitter-

ness among the West Bank population which regards the municipal polls as the only permitted form of political expression. The previous election in 1976 had shown the beginning of a voting trend towards support of a more radical Palestinian leadership.

Justifying the postponement, the Israeli commander and military governor maintained that his original decision had been taken with the backing of prominent local Arabs who for security reasons he was unable to identify.

"The people in the area are not independent, they will not do anything unless they get the green light from outside," he told foreign correspondents. Speaking at the heavily guarded military government headquarters outside Ramallah, the general added: "There are reasonable leaders in the West Bank. The only thing that has made life very difficult is that they are now powerful or courageous enough to say: 'All right, let's join in the peace talks and see what happens'."

He revealed that earlier this week he had delivered a strong personal warning to the most popular West Bank mayor, Mr. Bassam Shaka of Nablus, not to continue his recent political activities outside his home town. It was strongly implied, without being said explicitly, that the mayor will face deportation if the warning is ignored. Mr. Shaka's activities in support of the Palestinian cause have grown rapidly since the crippled mayor returned in January after convalescing in England from a bomb attack which blew off both his legs.

Many feared drowned in S Africa floods

From Ray Kennedy
Johannesburg, March 26

Scores of people, mostly blacks, are feared drowned in floods South Africa's Eastern Cape Province during the last 36 hours.

The city of Port Elizabeth has been the worst hit with nearly nine inches of rain recorded there by 8 am during the previous 24 hours.

The town of Lingsburg, in the normally arid Karoo semi-desert, 200 miles inland from Cape Town where the survivors of floods in January in which at least 130 people drowned are still living miserably in tents, was threatened by renewed flooding.

Civil defence officials in Port Elizabeth said the situation was chaotic. Air Force helicopters summoned for rescue work were grounded by gales and all road, rail and air links to the city were cut.

As the Gamtoos river burst its banks and overflowed, a colony of Coloured people living on an island in midstream was believed to have been swept away and drowned. Police were unable to say how many people lived on the island but said that two white school-boys who tried to rescue them were also swept away.

Port Elizabeth's black townships have been particularly hit by the flooding and scores of people are unaccounted for. In white suburbs, householders broke down their garden walls to release water from overflowing swimming pools.

The city's Livingstone Hospital was flooded and in the out-patients' department patients were sitting ankle deep in water as they waited for treatment.



A huge queue stretching outside a butcher's shop in central Warsaw yesterday.

Guillotine is taken out of campaign

From Ian Murray
Paris, March 26

The death penalty will not be carried out in France again before the presidential election. In a radio interview last night President Giscard d'Estaing sought to take the subject out of the political arena by confirming that he will not make public any decision about whether to grant his grace to a convicted murderer until the election is over.

He said he did not want political considerations to be in any way construed as having affected his judgement in the case. Therefore, although the normal procedure of consultation with the courts and the defence lawyers would go ahead, he would not make his decision known during the campaign.

If re-elected, he would then make his decision known, and if he was not returned he would hand over his findings to his successor. What was at stake, he said, was the life of a man, and he hoped that this would no longer be used in the electoral debate.

All President Giscard d'Estaing's opponents in the election have taken a stance against the death penalty.

The guillotine blade which might have been used to execute Louis XVI has just been bought at auction for 15,000 francs (£1,360) by a lawyer who is campaigning against the death penalty.

M. Bernard Masson said he bought the blade to prevent "this piece of French history" leaving the country. He intended to display it in his office to inspire him in his campaign to abolish the death penalty.

Japan stores sunlight in crystals

From Peter Hazelhurst
Tokyo, March 26

Japan has managed to store the Sun's energy for 61 days in an important development in the use of solar power. Scientists have produced a stable chemical compound to store the energy and tonight claimed it as a world breakthrough after 20 years' research.

Led by Professor Zenichi Yoshida of the engineering department of Kyoto University, they claim the compound will overcome the greatest hurdle to the practical use of solar power: the production of energy when the Sun is not shining.

The new compound has not been named but takes the form of a yellow crystal which is made by combining a petroleum derivative, called norbornadiene with methyl radicals and a substance named cyano.

It changes its molecular structure when exposed to sunshine. Professor Yoshida said that when a small catalyst of silver was applied to it the substance reverted to its original molecular structure, generating heat at any required moment.

If produced in liquid form, the compound would retain the

energy for 61 days without a boost of sunshine.

"The temperature of the compound does not rise when solar energy is stored. The energy takes the form of molecular change at normal temperatures. In this way energy is not lost through the dissipation of heat," a spokesman for Kyoto University explained.

Professor Yoshida said initial tests showed that 2.7lb of the substance would conserve 92,000 calories. The research team said a solar heater with a surface of a square metre could store 85 million calories of energy a year. The compound could also be transported while it stored energy.

If the compound was produced in solid form it could store energy for indefinite periods if the silver catalyst was not applied. However, it would have to be produced in a more liquid form for practical use.

Professor Yoshida said the new compound could be used to store energy for heating, cooling and eventually the generation of electrical power. There is little wastage and no pollution.

Scientific advance: The advance comes in the technique

for recovering the solar energy at room temperature (our Science Editor writes).

The substance norbornadiene is one of several materials that research groups in Europe and the United States have been exploring for several years as possible solar energy batteries. There is a large number of chemical compounds sensitive to light which rearrange their molecules when exposed.

The drawback in using them to make batteries for storing energy is twofold. Some heat has to be applied to push the material over an activation barrier, or to create the conditions in which the molecules return to their normal structure, giving up the surplus energy.

Second, the norbornadiene agents are sensitive only to the ultraviolet band in the Sun's rays which holds only a fraction of the total energy of light.

The commercial prospects for the invention may turn on the use of the silver-based catalyst, which stimulates the release of energy at room temperature.

Some method may have to be developed of putting the silver into the substance when the heat is required, without consuming the silver.

Lebanon sends more troops south

From Robert Fisk
Beirut, March 26

The Lebanese Government is to send additional units of the regular army to southern Lebanon, according to reports in Beirut this afternoon. The increased deployment would bring Lebanese troop strength in the south to 1,500 soldiers, all of whom would operate inside the area controlled by the United Nations.

Beirut newspapers reported that President Sarkis had discussed the new deployment with his army commander who was this evening meeting Major General William Callaghan, the United Nations commander.

No date has yet been fixed for the reinforcements to go south. Israeli radio reported yesterday that both Mr. Menachem Begin, the Israeli Prime Minister, and Major Saad Haddad, whose militias control the Lebanese frontier area, would resist any advance by the Army to the Israeli border.

There are plans to send the Lebanese Army into the enclave controlled by Major Haddad—indeed Lebanese troops would not have the strength to enter this zone—

but units are expected to be sent into the villages of Shakra and Bradach, scarcely five and a half miles from the Israeli frontier.

The figure of 1,500 troops appears to have been fixed under the 1949 armistice agreement between Lebanon and Israel. According to the respected newspaper *Al-Nahar*, Mr. Brian Urquhart, an assistant to Dr. Waldheim, the United Nations Secretary-General, will try to revive the armistice agreement when he visits Lebanon next month.

Since President Sarkis met President Assad of Syria last week, the Israelis have claimed that any deployment of Lebanese troops in the United Nations area would represent an operation undertaken at the behest of Syria. Lebanese troops have already begun parading inside the United Nations zone.

Israeli anger: The Israeli military commander today denounced a reported pledge by General Callaghan to bring all of Lebanon under the control of the Lebanese Army (Moshe Brilliant writes from Tel Aviv).

In an extraordinary official communiqué, the army accused the Irish general of "disrespect for human life" (Nigerian soldiers of the United Nations force were killed and wounded last week in shelling by Major Haddad's militiamen after Lebanese regulars had been deployed near Nigerian positions about a mile from his lines).

Major Haddad, has regarded the units under Beirut as Syrian vassals. The Israeli army statement reaffirmed its commitment to Major Haddad. The Israeli forces, it said, will not abandon people who depend on Israel for their survival.

An official on General Callaghan's staff confirmed tonight he had stated in an interview in Beirut that he was determined to implement his mandate to restore southern Lebanon down to the Israeli border to the Government of Lebanon.

The official said that in answering a question the general had expressed unhappiness about United Nations casualties but had added that if implementing its mandate required them, they would have to be accepted.

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True blue Americans approve Reagan course

The most conservative of conservative Americans, the guardians of the true faith, gathered in a Washington hotel last week to congratulate themselves on winning the last presidential election. It was the annual convention of the Conservative Political Action Committee (CPAC) and their president, Ronald Reagan, came along to eat, drink and jolly beans with them.

All but the most intransigently pure of them gave him unstinting adulation. Those who do not share the faith find it rather difficult to conceive of any substantial way in which the President might displease the far right, but there were in that assembly a few doubters. Had not Mr Reagan chosen George Bush as Vice-President, a notorious tri-lateralist, and Alexander Haig as Secretary of State, a known associate of Henry Kissinger, who believes in détente?

Most of the conservatives have no such doubts, and an outsider must grant this, so far at least, their faith is justified. Mr Reagan is the most deeply conservative President of the United States in two generations and he really seems to mean what he says.

This is an important point. John Mitchell, the former Attorney General, once said: "Watch what we do, not what we say," and the conservatives gathered in the Mayflower Hotel last week would assert that Mr Nixon's Administration was altogether too liberal, despite

triumph of virtue over evil that could only be made in America, and probably only in the most old-fashioned part of it. Denouncing realists and pragmatists, Mr Reagan said: "But from those terrible places have come survivors, witnesses to the triumph of the human spirit over the mystique of state power, prisoners whose spiritual values made them the rulers of their guards."

Washington Commentary

Patrick Brogan

That President's frequent conservative speeches.

President Reagan has spoken more than he has acted so far, but his every act has conformed to his speeches. It was a very conservative budget that he sent to Congress, though the deficit is going to be larger than the one Jimmy Carter proposed.

Mr Haig does propose an intransigently hardline foreign policy, however, tainted with realism, his Under-Secretaries may be. The Secretary of the Interior is carrying out a conservative revolution in his department, and the Secretary of Health and Human Services is busily purging the welfare rolls of the undeserving poor.

Other passages in his speech show a different confusion, "because ours is a consistent philosophy of government," he said, "We can be very clear: We do not have a separate social agenda, a separate economic agenda, and a separate foreign agenda. We have one agenda."

"Just as surely as we seek to put our financial house in order and rebuild our nation's defences, so too we seek to protect the unborn, to end the manipulation of school children

by utopian planners, and permit the acknowledgement of Supreme Being in our classrooms."

This is not one agenda, one philosophy, but a collection of policies that are deemed conservative because the conservatives embrace them. Mr Moral Majority, which is not an acronym, falls into the same confusion. In its statement of principles, it lists the various evils it observes in modern America, including abortion, pornography and "the abandonment of Taiwan."

In a panegyric on Mr Reagan, CPAC boasted that he was not an intellectual. It also claimed that he has simple tastes and no experience in foreign affairs. The way to take him, at this stage of his presidency, is literally to assume, until proof to the contrary comes, that he means exactly what he says. "We are not cutting the budget simply for the sake of sounder fiscal management. This is only the first step towards returning power to the states and communities, only a first step towards reordering the relationship between citizens and government."

"We must remove government's smothering hand from where it does harm: we must seek to revitalize the proper functions of government, we must do the things to set loose again the energy and ingenuity of the American people."

When in doubt, the President will take the most conservative course. So far, he has had few doubts.

Reprisal threat to Britain by Iranian group

From Our Own Correspondent
Paris, March 26

Reprisals against Britain have been threatened if the Arabist nationalist imprisoned after the siege of the Iranian embassy in London is not released. The threat is contained in a four-page letter signed by a group calling itself Mujahidin al-Nasir, which was delivered to Reuters office in Paris today.

The letter said: "We shall hit in a way which coincides with the treachery of the British authorities." Reprisals would start 30 days after the issue of the statement—which was dated February 5—unless Mr. Haddad al-Majida was released.

Posted in France, the letter was addressed to the building which houses the Reuters office.

Bomb attack on horse trainer

Paris, March 26—Criquelette Head, who trains horses for her mother, including last year's leading French two-year-old, Dunphy, was the victim of a mystery bomb attack last night.

A small explosive charge was placed in the porch of her house, the Villa Viny, at Chantilly. It caused only superficial damage. "I know of no one who has a vendetta against me," she said.

£310m loan from IMF to Jamaica will open way for bigger rescue package

From Stephen Dowler
Kingston, Jamaica, March 26

The International Monetary Fund (IMF) has reached a tentative agreement with the Jamaican Government to lend the almost bankrupt Caribbean Island about \$700m (£310m) over the next three years.

According to Mr Horace Barber, permanent secretary at the Jamaica Finance Ministry, the IMF management has accepted Jamaica's programme for economic recovery and will submit it to the fund's board of directors. Approval is expected by mid-April.

If the plan is approved, Jamaica is likely to receive about \$900m (£400m) in credit in fiscal year 1981-1982, said Mr Bill Rhodes, of Citibank, New York.

Mr Rhodes is chairman of the steering committee representing about 90 commercial banks owed about £450m by Jamaica. The total public and private debt was \$1,200m (£530m) and servicing it in fiscal year 1980-1981 accounted for about 42 per cent of Jamaica's export earnings.

Mr Rhodes's office said the provisional economic rescue plan for Jamaica over the next fiscal year includes: \$70m worth of new credit from the commercial banks; \$151m in refinancing the existing debt with commercial banks and bilateral institutions; \$264m from other donor countries, mainly Britain, the United States,

Canada and West Germany, and four multilateral and bilateral organizations, including: the World Bank, the Inter-American Development Bank, and the Commonwealth Development Corporation; and about \$300m from the IMF.

Jamaica's recovery programme, Mr Barber said, "emphasizes the productive efforts. It is a continuation of a programme begun in 1978 and 1979, with fiscal adjustments and income and wages compression. It does not include any exchange rate devaluation. We have argued that Jamaica has to be competitive in an exterior sense."

Mr Rhodes said he was optimistic that Jamaica can turn the situation around "once the package is approved."

Mr Edward Seaga's Government realized that it was necessary to move rapidly in order to get the country moving again, he added, underlining the fact that Jamaica would be paying commercial interest rates on the loans.

Mr Seaga's conservative Jamaica Labour Party won last October's general elections over the socialist People's National Party of Mr Michael Manley, gaining 51 of the 60 seats in the ballot.

Last March the Manley administration broke with the IMF and consequently monetary world started falling off. Only

Tug-of-war likely with Brazil on Biggs

From Jeremy Taylor
Bridgetown, Barbados, March 26

Britain and Brazil seem to be heading for a tug-of-war over Ronald Biggs, the British train robber, who is still in police custody in Barbados.

According to the British High Commission here, extradition papers are being prepared in London, but a spokesman declined to say when they would arrive in Barbados. There is much local speculation over the reason for the British delay, which one legal source involved in the case has described as "incredible."

After an early yishow of indifference, Brazil is pressing for the extradition of Mr Biggs, together with the five men on board the chartered yacht *Nowzani II* from which Mr Biggs was taken off by Barbados immigration officials on Monday night. But the grounds of the Brazilian move are still far from clear.

Mr Biggs made a short court appearance in Bridgetown today as his lawyers in Barbados challenged his continued detention. A decision is expected to be given tomorrow morning. Tonight, Mr Biggs was back in his temporary quarters in Bridgetown's central police station.

Barbados is clearly weighing its options carefully. Though there is no formal extradition treaty between Barbados and Britain, there are arrangements for the extradition of British subjects, under which, extradition is possible.

One possibility is that Mr Biggs will be declared a prohibited immigrant and deported to his country of origin, where he is 28 years of age, of a 30 year sentence to serve.

Meanwhile, he has become a celebrity in Barbados. Cheerful and full of jokes, he was whisked away from the court today through a back door.

He says that he wants to remain in Barbados, his former wife, Charmian, who now lives in Australia, and believes that he would not have to serve more than five years if returned to Britain.

A great deal of mystery still surrounds his kidnapping from Brazil last week. There is also a legal dispute about whether the yacht that carried him was within Barbados territorial waters when it was intercepted on Monday. There is speculation about whether the yacht was heading for Barbados, or not.

ENERGY CASE HISTORY

How C&A fashioned their energy consumption to their needs.



C&A asked us about the performance of energy-efficient heating and ventilation systems. Using our computer program, called the Building Energy Estimating Program (BEEP), we analysed the energy requirements for their new store in Manchester's Arndale Centre.

The outcome was one of the largest heat pump installations in the country.

The eight roof-mounted heat pumps provide heating and cooling as required, maintaining a comfortable shopping environment throughout the year. And they are very efficient. When used for heating, each unit of electricity they consume produces about 2½ to 3 units of heat.

Heat pumps operate on the same principle as the domestic fridge. In warm weather they take the heat from the store and reject it to the outside air. Then in cold weather the direction of the heat flow can be reversed and heat for the store is taken from the outside air—even on very cold days the outside air still contains some usable heat.

If you'd like more information on heat pumps for commercial premises, and on BEEP, simply fill in the coupon. We'll fashion something to suit your own requirements.

I'd like to know how to get the best out of my energy. Please send me your free booklets 'Heat pumps—the energy savers' and 'Building better with BEEP'. Send to The Electricity Council Information Centre, 30 Millbank, London SW1P 4RD.

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European Parliament ignores prices curb and votes farmers 12%

From David Wood
European Parliament Editor
Strasbourg, March 26

The European Parliament did not practise here today what it has preached for years about curbing the farmers' share of the Community budget.

It voted for a 12 per cent increase in 1981 farm prices compared to the European Commission's recommendation of an average increase of 7.8 per cent. The motion was carried by 107 votes to 53. Cops, the European farmers' organization, has asked the Council of Ministers for 15 per cent so as to keep pace with inflation.

Mr Christopher Tugendhat, the commissioner in charge of the budget, remarked that by 1981 the Parliament's proposed increase would "double the cost the Commission had budgeted for, and farm support costs would rise above the rate of increase in EEC revenues."

The final decision on farm prices rests with the EEC agricultural ministers, in other words, with the 10 national governments. But undoubtedly the Parliament showed that the Commission's decision to increase by its main ally and has lost the battle for price curbs in 1981 and 1982.

Mr David Curry, the Conservative MEP and a member of the agriculture committee, said that in budget debates all members of the European Parliament were heroes, but on farm prices they were mice.

Dealing incomes: The European Commission today announced plans to boost farmers' income in Denmark, Ireland, France, Italy and Greece in the hope that EEC agricultural ministers will then be able to accept the 7.5 per cent price increase it has proposed for

this year (Peter Norman writes from Brussels).

The Commission will tell the ministers when they meet in Brussels next Monday that it plans to use last weekend's 12 per cent revaluation of the European currency unit—in which all EEC farm prices are fixed—to push through devaluations of the exchange rates at the unit prices are translated into the currencies of member states.

These devaluations of the so-called "green" rates would lift the guaranteed farm prices paid in Italy by 9.08 per cent, Greece by 2.88 per cent, in France by 2.53 per cent, and in Denmark by 2.53 per cent. This would go some way in answering the farmers' complaints that the proposed EEC price rise would not compensate them.

British protest: British farmers protested yesterday against the impact of the latest EEC currency changes (Our Agricultural Correspondent writes). The fact that the realignment of national exchange rates with the European currency unit could weaken the competitive position of British agriculture.

The changes will lead to a cut of about 2 per cent in the value of the positive monetary compensatory amount which protects British farmers against cheap imports.

Mr Richard Butler, president of the National Farmers' Union, said in London that the new rates would give some countries the chance to raise farm prices by devaluing their green currencies. "This option will not be open to the United Kingdom, even though net farm incomes here have fallen by much more than the EEC average."

Britain pessimistic about EEC fisheries accord

By Hugh Clayton

British ministers see virtually no hope of reaching agreement at today's Brussels EEC meeting about fish policy. Mr Peter Walker, the Minister of Agriculture, said in London yesterday: "I think it will be a very difficult meeting. I do not see that there is any sign of understanding of our requirements. If there is not, there will not be an agreement."

Officials in London emphasized that success today would depend on a change of attitude by France on access to British waters and by the European Commission on support prices. The Government saw no sign of either.

Mr Walker spent more than two hours in the morning with Mr Daniel Hoefel, the French Minister of Fisheries. The French team made it clear that Paris was not prepared to reduce its claim for access to British waters.

But the two ministers, who met at RAF Northolt, near

London, agreed that the Commission's latest plan to raise support prices by 12 per cent was inadvisable. Mr Walker insisted today that Britain cannot accept less than 20 per cent in a complicated deal that would unlock access to Canadian waters for West German trawlers.

Mr David Aitchison, the chief executive of the Scottish Fishermen's Federation, said: "We are prepared to go along with the stand the Government made in December. This present difficulty all goes back to French intransigence then. I think the minister has got it under control. Our federation is satisfied with him."

Mr Nigel Atkins, the director-general of the National Federation of Fishermen's Organizations, which represents England and Wales, said: "The minister made it perfectly clear that there was no intention of departing from his resolute stance with the Community. We endorse that."

Clear majority for Chun party in South Korea

From Jacqueline Reddy
Seoul, March 26

South Korea's general election has resulted in a clear victory for President Chun's Democratic Justice Party (DJP).

All but two of its 92 candidates in the constituencies were elected. The main opposition Democratic Korea Party (DKP) won 57 seats and the Korea National Party (KNP)—most of whose members supported the previous regime of the assassinated President Park—won 11 seats.

Eleven independents won parliamentary seats and the rest of the seats were divided among five minor parties. These include the Democratic Socialist Party which won two seats and will be represented in Parliament for the first time since 1961 when President Park seized power in a right-wing military coup.

Under a proportional representation system, on top of the 276 seats in the new parliament will be allocated to three biggest parties: the DJP, 24 to the DKP and 10 to the KNP.

This gives the DJP a clear overall majority with a total of 1 seats, or 54.7 per cent, compared with the DKP's total of 29.3 per cent.

Ten women stood in the election but only one, Mrs Kim Jong Rye of the DJP, was successful.

Foreign report is on page 17

Interim Zia constitution ends independence of judiciary

From Hasan Akhtar
Islamabad, March 26

Under restrictions on superior powers by the Pakistani authorities are regarded in all circles as almost liquidating the judiciary's independence.

The changes, introduced by President Zia-ul-Haq's Cabinet in an interim constitution, have already cost eight senior judges their positions refusing to take an oath of office under the new constitution. Politicians and lawyers are judging the situation as a crisis.

Islamabad has been ruled by martial law since July 7. President Zia recently issued his Cabinet, appointing a number of civilians. But he has hinted at giving Government a broader base and more civilian participation, he firmly rejects general elections and transfer of power now as national suicide.

The interim constitution is apparently designed to overcome constitutional, legal and political obstacles that could prevent him implementing executive, legal and political Islamization, and to prevent the threat to integrity and ideology.

Some of the important clauses seek to debar all political parties considered to be working against the ideology and interests of Pakistan, and there will be restrictions on the jurisdiction of the superior courts in the field of human rights. The 1973 constitution, which was the basis of the 1973 constitution, will be consolidated to deal with

President Siad Barre's political position is more precarious than at any time in 11 years of power

Somalia's refugee problem aggravated by food and fuel shortages

This is the first of two articles on the problems of Somalia by Arthur Jones, diplomatic correspondent of the American newspaper The National Catholic Reporter, who has recently returned from Somalia.

Somalia's worsening refugee problem is aggravated by food and fuel shortages, wholesale food theft from some camps and problems of aid coordination stemming from a shaky start two years ago by the United Nations High Commission for Refugees (UNHCR).

No one knows how many refugees are already in camps. The Somali Government's National Refugee Commission estimated in December 1980 that UNHCR predicted 1.3m by June 1981, and possibly 1.6m by the end of the year if the rains fail.

There are fears that hundreds of thousands more are still to come. Government sources claim there are perhaps 700,000 semi-refugees wandering around inside Somalia with the remnants of the army. According to one official's estimate, there could be up to a million more prospective refugees still to come in from Sudan, Ethiopia and Kenya. Somalia with its population of only 3,500,000 is unequipped to absorb them.

President Muhammad Siad Barre is said to have sunk to the most politically precarious level of his 11 years in power. Many Somalis now believe that his 1977 Ogaden war debacle and the apparent crumbling of his pan-Somali dream should have resulted in his resignation. But he continues to hold on, keeping a military and tribal balance of support and the apparent crumbling of the United States, the former Soviet base at Berbera has failed to bring the strengthening of relations with Washington.

While Western relief workers have privately accused the Barre Government of inflating refugee figures or crying wolf over food and fuel shortages, none denies the gravity of the present refugee situation.

Everyone is now waiting to see whether the seasonal rains, which have lately begun, persist in abundance. For the past two years the rains have begun poorly and tapered to almost nothing.

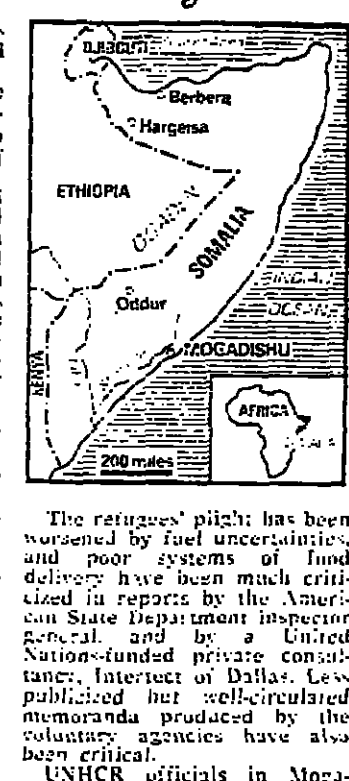
The Juba and Shebelle rivers, which had gone dry in some places, are now in flood and

the movement of relief supplies to the camps is being hampered on flooded roads.

Many of the refugees arrive in Somalia in a very bad condition, and the wet conditions in camps raise the new threat of cholera.

UNHCR recently reported between two and six deaths a day, from tuberculosis and other diseases, in a camp with perhaps 10,000 refugees. Again, no one was certain about the number there. The camp commander claimed 15,700 refugees, the refugee commissioner estimated 7,500 but allowed food for 10,000.

The commissioner, Said Mohammed Indhaye, in an effort to stop commodity thefts elsewhere in the region, has dismissed three camp commanders. While the Somali Government thus begins to take tough measures against "midnight redistribution", as voluntary agency staff call it, UNHCR is strengthening its own monitoring system. The League of Red Cross Societies and the United States Agency for International Development both have staff members making spot checks on delivery lorries.



The refugees' plight has been worsened by fuel uncertainties, and poor systems of food delivery have been much criticized in reports by the American State Department inspector general, and by a United Nations-funded private consultant, Intersect of Dallas. Less published but well-circulated memoranda produced by the voluntary agencies have also been critical.

UNHCR officials in Mogadishu insist that the coordination after a long period of poor response to the increasing refugee numbers. With practically all supplies to the more than 40 camps having to come from Mogadishu port, fuel for the lorries has been critical. But even when UNHCR and refugee commission vehicles had fuel allocations, they did not have their own pump. That meant relief trucks waiting in line with all other government vehicles for up to seven hours simply to fill up with diesel.

UNHCR officials are particularly sensitive to criticism after 1978 months' public attack in Nairobi by Oxfam and Save the Children Fund on "bureaucratic" handling of relief efforts in the Karamoja region of Uganda. In Mogadishu, voluntary agency staff are generally waiting to see whether the UNHCR can bring commodity distribution under control. Somalia is trying to absorb its second wave of refugees in seven years. During the 1974-75 drought, arrangements were begun to resettle some of the 250,000 refugees. But the Somali Government has reportedly stated it expects these

Prison governors to strike in Italy

From Peter Nichols
Rome, March 26

The governors of Italy's prisons are to go on strike on Saturday. Apart from a symbolic protest in 1977, it is the first time the prison governors have taken such action.

They are calling for better pay but, more important, they are challenging the Government's attitude to prison policy. They accused the public that there would be no mass escapes on Saturday. The 306 governors have plans for further stoppages including demonstrations outside the Ministry of Justice.

The governors have some strong cards to play. A prolonged strike could well mean the suspension of wages to the prison warders and also to convicts who work. They need not do a lot to bring about a sharp rise in tension inside the overcrowded prisons. The prison system, and in particular the maximum security blocks, are now one of the main targets of the left-wing terrorists. Earlier this month two men were murdered by fellow-prisoners in Novara prison. The government hopes that the strike of a few weeks' two of their number have been dismissed, one for being too hard and the other for too much democratic sensitivity.

One of the principal demands of the governors is for decentralization of the prison system. They say that at present it is controlled from Rome by the Ministry of Justice which is staffed by members of the judiciary, not by persons familiar with the problems of the prisons. They hope to see a delegation of authority to regional experts whose efforts would be supervised by a corps of inspectors working for the central government.

The warders are also demanding a totally different treatment by the government, including better wages and clearer status.

Vatican talks: The Pope has agreed to meet representatives of the Vatican's workers' association on April 6 to discuss their demands for better wages and shorter hours, the workers said (AP reports from Rome).

The employees had threatened to hold a "silent, orderly protest march through the Vatican gardens in early April if their demands were not met. They said today that they would probably now cancel the march.

Deterrent has preserved peace, minister says

By David Spanier
Diplomatic Correspondent

Defending Britain's continuing role as a nuclear weapons power, Sir Ian Gilmour, the Lord Privy Seal, said yesterday that the policy of deterrence combined with arms control had proved successful in preserving the peace between East and West.

The Campaign for Nuclear Disarmament (CND) had failed to make its case, he said.

"Because our policy is working, I do not believe that nuclear war is likely today, despite the understandable public anxiety," Sir Ian said, adding: "We are not on the brink."

Speaking at the University of London Institute of Education—the first time that a minister in the present Government had appeared on a platform with CND members—Sir Ian said that nuclear weapons provided the best protection Britain had that such weapons would never be used or threatened against us.

Addressing the annual conference of the Council for Education in World Citizenship, he said that the dual policy of deterrence and arms control had been pursued consistently over many years by all the governments of both parties in Britain and by all our allies.

The fact that it had kept the peace was a big achievement particularly where the divisions in Europe were so deep and the potential points of friction so many.

Attacking what he termed the "myths" of the CND case, Sir Ian said it was nonsense to suppose that those who were against unilateral nuclear disarmament were somehow for nuclear war. Both the Government and CND were at one in their abhorrence of nuclear war. What divided them was not the end but the means to achieve it.



Strong arm of the law. Police clear squatters from the Kreuzberg district of West Berlin after bank and shop windows were smashed.

Prince sets up party to fight Vietnamese

Peking, March 26.—Prince Norodom Sihanouk, the former Kampuchean head of state, confirmed today that he has set up his own political party to fight against the Vietnamese in Kampuchea.

He also announced that he was preparing to meet a special envoy, President Suharto of Indonesia in Pyongyang, North Korea next week.

The envoy, Mr Anvar Sari, will arrive in Pyongyang with the task of encouraging (the prince) in the name of the neutral countries of the Association of South-east Asian nations (Asean) in his attempt to group together the armed anti-Vietnamese resistance forces.

Prince Sihanouk made these statements in a telephone call from the North Korean capital where he is living in exile, to Agence France-Presse in Peking.

The prince's party is called the National United Front for an Independent, Neutral, Peaceful and Cooperative Kampuchea, he said. It was seeking a military alliance with the armed forces of the Khmer Rouge and the armed forces of Mr Son Sann, the former Prime Minister.

The Khmer Rouge are the main armed resistance movement fighting against Vietnamese troops in Kampuchea and Mr Son Sann, who served as head of government under Prince Sihanouk, heads the biggest anti-communist resistance group.

New wave of unrest among Albanians in Yugoslavia

From Dassa Trevisan
Belgrade, March 26

A new wave of Albanian student unrest broke out in Yugoslavia's autonomous region of Kosovo where last night several thousand students occupied university hostels and barricaded themselves against the police.

They have begun a strike over a series of grievances which are yet to be disclosed. This comes two weeks after a students' march in the streets of Pristina, the region's capital, in protest against living and other economic conditions. The authorities later said that hostile groups had tried to take advantage of the grievances.

The disclosure that new and obviously more serious trouble was brewing was made today by Mr Drasa Markovic, the president of the Yugoslav Federal Parliament.

Rumours of trouble have

North Korea may send instructors to Zimbabwe

From Nicholas Ashford
Salisbury, March 26

British military instructors engaged in integrating former Zambian guerrillas into the new Zimbabwean National Army could find themselves working alongside military instructors from North Korea.

A high-level North Korean military delegation made a secret visit to Zimbabwe a month ago, during which, it is understood, an offer was made to help with the training of the country's new army. The Government is still considering the offer.

At present there are 158 British officers and NCOs in Zimbabwe who are running the integration programme.

The possibility that the North Koreans may establish a military presence in the country has raised fears in diplomatic circles that they could be planning to take over from the British who the British military aid programme comes to an end.

Meanwhile, it was officially announced today that Zimbabwe has attracted the massive total of £85.58m in foreign aid since the country became independent a year ago. Of this £85.58m has been raised as a result of this week's aid donors' conference, which is due to end here tomorrow.

Of the total assistance so far committed just over half is in the form of grants, and the balance is in loans.

Announcing the results of the international community's response to Zimbabwe's request for assistance to help it recover from the effects of seven years of war and 15 years of sanctions, Mr Tom Mswaka, the Permanent Secretary at the Department of Planning, said he was "more than satisfied" with the results.

He pointed out that the £890m so far committed was the "base line" as far as pledges of assistance were concerned, and that further assistance could be forthcoming.

Zimbabwe convened this week's conference to raise £804m towards the cost of reconstruction, rural development and man-power training projects over the next three years.

The largest single contributor to Zimbabwe's development programme will be the World Bank which has earmarked a total of £205m into a variety of projects.

Britain is the biggest bilateral donor providing development assistance worth £123m. This figure does not take into account items such as debt rescheduling and the cost of the military training programme.

The second largest donor is the United States with an aid programme worth £119m.

Four executed for coup plot in Mauritania

Nouakchott, March 26.—Four military officers convicted of taking part in an abortive coup in Mauritania last week were executed by firing squad today.

Journalists watched the execution of the officers. They were condemned last Tuesday and President Mohamed Khouna Ould Haidera declined to exercise his right of clemency.

Two lieutenant-colonels, Ahmed Salem Ould Sidi and Abdou Ould Bah were accused of being the coup leaders. The other two executed were lieutenants.

Morocco has denied Mauritanian accusations of involvement in the coup attempt.

Dozens fall ill after dining at summit meeting buffet

Maastricht, March 26.—Dozens of foreign journalists and officials have fallen violently ill after dining at a free buffet at the close of the European summit here on Tuesday.

The crippling effects of ill health in the region is alarming the authorities, especially as in other Yugoslav university centres Albanian students have been holding protest meetings.

Local officials had done everything possible to make the event memorable. It certainly will be remembered but not in the manner intended.

Samples of the food were sent to scientists when the first signs of food poisoning were reported, and results of their laboratory tests will be known tomorrow.

Many special correspondents sent to cover the summit felt the symptoms after returning home. One German reporter was admitted to hospital.

Dutch guests were not spared the calamity. Police had joined in the feasting, along with the province's entire information department staff, 15 local officials, Foreign Ministry press officers and the Dutch spokesman in Brussels.

Today they were all regretting it.—Agence France-Presse.

Aborigines demand more than offered

From Douglas Aiton
Melbourne, March 26

Nearly 200 years after the arrival of Europeans in Australia, the Government is ready to negotiate with the Aborigines a formal agreement covering land rights and other outstanding issues.

The Government has agreed to "acknowledge" that Australia was occupied first by Aborigines. But Aborigines are still demanding to be recognized as the original owners of the land.

Senator Peter Baume, the Minister for Aboriginal Affairs, said yesterday that the Government was willing to pursue the concept of a *makarrata*, an Aboriginal word meaning the resumption of normal relationships after a period of disagreement. State governments have also agreed to discuss the proposal with the National Aboriginal Council.

The council has consulted Aboriginal communities at length about a *makarrata*, and is trying to win a set amount of federal funding based on the size of the Aboriginal population compared with the total Australian population; seats in Parliament reserved for Aborigines; positive discrimination in favour of Aborigines seeking Government employment, and teaching of Aboriginal culture in schools.

It is also seeking the freehold title of all land now occupied by Aborigines, protection of sacred sites and compensation for losses of land.

The Government, however, has ruled out the first three of these proposals.

THE ARTS

Extravagant ham hits the target

Stir Crazy (AA)
ColumbiaNo Nukes (A)
Screen on the Green;
Odeons, Kensington;
and Hammersmith;
Studio, Oxford StreetSphinx (AA)
Warner West End

There is less and less accounting for public reaction to films. *Stir Crazy* is on the face of it a farcical comedy no better than most and worse than many. So why should it suddenly boom as a craze with American audiences, staying in *Variety's* New York Top Grossing Films chart for 13 weeks, and taking upwards of twenty-one million dollars—more even than the phenomenal Clint Eastwood vehicle *Every Which Way You Can*?

The script doggedly parodies every regular character and incident of the prison film genre: the venal warden, the Big Bad Bill who gets to be Sweet William and the predatory homosexual homicide, Sidney Poitier has never been uncritically a lightweight actor; as a director of comedy he wields a distinctly heavy hand. The career of the film, then, must presumably lie in the chemistry of teaming Gene Wilder and Richard Pryor—already tested when they appeared together in *Silver Streak*. The chemistry is rather odd, at that, since Pryor is so evidently much more resourceful than Wilder.

Wilder succumbs to the inconsistencies of his part, hams

it all up extravagantly, and somehow salvages a fit-where-it-creatures of blindly idiotic optimism and good will, always ready to separate a pair of fighting killers, and treating the prison guards as if they were gentlemen. Pryor is much more certain of his character—which has very little to do with the scabrous aggressive figure of Richard Pryor Live in Concert. Under the pressures of prison life, Pryor's black man reverts to a racial wariness built up over generations. With his rich variety of ties and face-pullings and baby whimpers, Pryor is proof that a noddie comic is also a good actor.

No Nukes is a very touching document. It is a record of a series of great concert-rallies held in the autumn of 1979—exactly a decade after the operatic performances commemorated in *Woodstock*. Woodstock veterans like Crosby, Stills and Nash are still around, somewhat more subdued and sober, and definitely older. Maybe it is the result of the rather more formal arrangements of the concerts in Battery Park that their young audiences, too, seem less uninhibited and carefree than the flower-children who lounged so lovingly and decoratively in the Elysium of Woodstock.

Pop musicians are, of course, the new moralists, leaders and examples of the young; and the concerts recorded in *No Nukes* were presented as occasions for Concern. The events were organized by MUSE, the Musicians' Union for Safe Energy, activated by such performers as Jackson Browne, Graham Nash, Bonnie Raitt and John Hall. The stars donated their services, and the large proceeds of the concerts (and of this film) go to the organization across America which is fighting against nuclear pollution. The romanticism of the undertaking is touching, again. Something of the wacky flower-child idealism still survives in this campaign whose concern seems, from their statements, to be less for safe energy, than for no energy. Better, they declare



Gene Wilder and Richard Pryor discover they are suspects in a bank robbery

with poetic vagueness, to use the energy they are generating from rock-and-roll. It is a sympathetic but hardly convincing political cry.

There is more conviction in the little film-within-the-film documentary which was screened during an intermission in the concert. Rather economically it explores, in flash interviews, both concern and uncertainty about the dreadful prospects revealed by the Three Mile Island accident. Even more sinister now is an army documentary made in 1952 to reassure United States soldiers who were about to be exposed in the range of nuclear detonation.

An army padre grows lyrical about the wondrous lights and heavenly ascent of the atomic mushroom; and the rookies listen doubtfully. Three decades on, we are shown a veteran from this period, dying of leukaemia and feeling, somehow, that the army has betrayed him.

The principal audience for the film (as well, presumably, as for the original concerts) is likely to be less concerned with the message than the music. The Woodstock era stars inevitably fade beside the much younger, more vigorous and in a sense more professional talents of the newest rock-and-roll superstar, Bruce Springsteen. The release of the film in London is nicely timed as a consolation to the sell-out

audiences who have been disappointed by the postponement of Springsteen's British tour this month (on account of bronchitis, clearly a serious handicap to his very vocal act).

Lesley-Ann Down, an artless actress, has inherited the long-discarded mantle of Pearl White and The Perils of Pauline. In *Sphinx* she plays a scholarly Egyptologist (you can tell because she has a notebook, takes snaps of camels in front of the Great Pyramid and reads ancient hieroglyphics as they were. Bird's-Eye packets) who arrives for her first visit to Cairo and in no time is caught up in the murderous underworld of the black market in antiquities.

In the course of the next hundred minutes, she witnesses assorted murders, is threatened, shot at, imprisoned, indecently assaulted, taken by surprise in her hotel room, incarcerated in a burial chamber (where she ingeniously uses the mummified parts of her fellow-inmates as torches), strangled by bats and all but entombed in another funeral vault. Between times she involves herself affectionately with two obvious bad lots, steals a lorry for one of the silliest automobile chases in unhappy memory, and utters a few half-thoughts on women's lib.

As the plot and dialogue grow progressively sillier, amazement mounts that so much talent can be expended

on a script that is the pulpist of pulp the original novel, by Robin Cook, who wrote *Coma*. It is said to be much better, but the film is small incentive to explore in that direction). Franklin Schaffner, in films like *The War Lord* or *Paton*, has in the past appeared to be a director of forceful narrative ability. The art work, recreating ancient and modern Egypt in the Budapest studios, is exemplary. The photography (Ernest Day) is often ravishing, with some dazzling travelogue scenes of Egypt, including a staggering aerial view of the Sphinx. The supporting players include Sir John Gielgud, who plays the role of a mischievous old antique dealer who gets murdered in reel two. The only major miscalculation, aside from the script, is the music, which is slushy enough and loud enough to sink four *Laurences of Arabia*.

Hollywood has always, I suppose, made this kind of film, like, in its pitiful kind, to some beautiful, well-made, golden child with the brain of a troll. As proof that it could be done better, it is worth recalling that a decade ago a fine Egyptian film, Shadi Abdel-Salam's *The Night of Counting the Years*, treated very much the same story of people living the treasures of their forefathers with skill, subtlety and poetry.

David Robinson

A singer of many colours

Renato Bruson sings Macbeth for the first time in London tonight in a new production by Elijah Moshinsky for Covent Garden. Over the past few weeks he has probably had to discard most of the ideas generated the last time he appeared in Verdi's opera. That was in Berlin. The director was Luca Ronconi, who has just staged Stockhausen's *Donnerstag aus Licht* at La Scala, as William Mann reported last week. Ronconi dressed his cast in red, left the stage completely bare and used light only to illumine the faces of his singers.

However, Bruson is used to changing his colours. He is a neat, compact man, with the serious attentiveness and courtesy of a lawyer of good standing. The on-stage appearance has little to do with the off-stage, apart from the identifying mark of the beard which he declines to shave whatever the role. Macbeth and he are well acquainted. He first sang the part improbably enough, in Pretoria in 1967. He was appearing in *Andrea Chénier* in Brussels when a talent scout invited him to South Africa. So he became the sole Italian voice in a cast consisting entirely of Afrikaners performing in a none-too-well-known opera to an audience used to *Traviata* and *Bohème*.

Since then he has taken the role some seventy times, scientifically as a mischievous old antique dealer who gets murdered in reel two. The only major miscalculation, aside from the script, is the music, which is slushy enough and loud enough to sink four *Laurences of Arabia*.

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Macbeth for me is almost a passive creature: he is scared by the witches and their prophecies; he is courageous only when spurred on by Lady Macbeth; he is rarely if ever dominant. The wickedness belongs to Lady Macbeth.



Renato Bruson: "Verdi's Macbeth for me is almost a passive creature..."

Bruson's next encounter with Shakespeare comes in the spring of next year when he tackles *Falstaff* for the first time. This will be in the production which Giulini is scheduled to conduct in Los Angeles and which will subsequently be seen at Covent Garden and then Florence. Deutsche Grammophon will record it. The names of a number of producers have been linked with the project, among them Franco Zeffirelli, Trevor Nunn and Los Angeles's own Gordon Davidson. But as matters stand it will be in the hands of Ronald Eyre, whose production of *Belshazzar's Feast* and *Benedict and Caliban* at the Royal Opera, both stylish and restrained, suggested that he might be a very good choice. While Macbeth has been in rehearsal at Covent Garden, Bruson and Eyre have taken the opportunity to talk.

Among Verdi's baritone roles, *Rigoletto* is the most difficult. It is appearing in a new production of that, probably by Otto Schenk, in Vienna with Alfredo Kraus, Ileana Cotrubas and Maestro Muti conducting. [Multi, who works regularly

with Bruson, is also in charge of the Covent Garden Macbeth.] But Falstaff is the most interesting.

"There are quite a lot of misconceptions about Falstaff. He is not a clown nor a pugilist. Nor is he a red-faced buffoon with hair sticking out all over the place. He might be hard up, but he remains a gentleman. I haven't seen the opera very often on stage, but I can't say that I much cared for La Scala's version last Christmas.

At what age should you first see the part? I don't think that matters too much. When it was suggested to me I wondered whether I was too young and decided I wasn't. I know that Giuseppe Taddei, the most human Falstaff I've come across, is still singing it at 64. But don't forget he was also playing it when he was 40. The cheering thing about Falstaff is that there is no *legato* required. If you are going to perform *Iago* then the voice must be in perfect condition; with Falstaff you can speak a little.

Apart from Verdi's *Ballo in maschera* with Ricciarelli and Domingo is awaiting release from Deutsche Grammophon—Renato Bruson's favourite composer is Donizetti. A few years ago he recorded an album of Donizetti arias on the Cime label, including a number of unfamiliar ones, which is perhaps why the disc has not yet been issued in Britain.

"My love for Donizetti was inspired by my singing teacher, a lady who was probably more interested in *lieder* than in opera. She taught me *bel canto* and there is no greater master of *bel canto* than Donizetti. I'm probably the first singer of this century to sing in 15 different operas by him and that number will go up to 17 by the end of the year when I've added *Faust* in Rome and *Il Duca d'Alba* in Florence next winter."

And beyond Donizetti? "Well, there is one obvious part which every baritone yearns to sing: Don Giovanni. While I've been in London I've been talking with Colin Davis about this. We could be performing it together before too long."

John Higgins

Bartók centenary concert

BBC SO/
Rozhdetsvensky
Festival Hall/Radio 3

William Mann

Wednesday was the hundredth anniversary of Bartók's birth. Celebrations have already begun in Britain, and are likely to continue throughout the year. The BBC is paying homage to Bartók, in his centennial week, with 14 hours of radio and television, no problem for me in one day, I am sure, but supposedly very generous for a composer born only 100 years ago, and a programme designed for a multitude of listeners. The BBC has obtained the ace spot in London for the birthday itself, the Festival Hall evening concert, traditionally theirs on a Wednesday. An important programme was

to be conducted by Gennadi Rozhdetsvensky, with the imaginative choral Cantata profana, and the score of the first known ballet, *The Wooden Prince*, as well as some Bartók songs scored by Zoltan Kodály. On Tuesday came the blow. The BBC Symphony Orchestra, due to embark on May 10 for a tour of the Far East, China, Korea and Japan, had to be inculcated against relevant diseases, six to eight weeks before arrival in those parts. Many of them went sick as a result, two or three days ago, and so two of the concert's items had to be changed. The Bartók songs would be given with their original piano accompaniment, not with orchestral transcription by Bartók's great friend Kodály. The *Cantata profana*, much looked-forward-to, had to be replaced by the Divertimento for Strings, a trifle, however pleasing, from the interim before Bartók's final emigration to the United States.

We still had *The Wooden Prince*, a gleaming, voluptuous score in which Richard Strauss still peeps unobserved over the shoulder of the younger master who thought to have grown away from that influence. The BBC players certainly did not sound like invalids, coaxed into dynamism and euphonious beguilement as they were by Rozhdetsvensky; this was a superbly prepared interpretation.

Bartók's opus 15 songs were eloquently if not subtly sung by Sylvia Sass, nobly supported by Roger Vignoles as director. The BBC strings gave an agreeable account of the *Divertimento*, its melodies phrased and nuanced decently, short of the desirable elegance and intensity. At the interval this concert felt like an apology for a major musical event. The performance of *The Wooden Prince* of "The Prince carved out of wood" is a more enlightening translation) did much to raise spirits.

Yet one could not but wonder why, if the full orchestra was healthy enough to play that stable piece, it was too ill to accompany the *Cantata profana*. The choir, which was already prepared and standing by. Then I wondered why injections for the orchestra took had been arranged for the critical days just before this important concert, 10 days earlier so that any physical reactions would be abated by now. Could it be that interdepartmental liaison in the BBC had not matched touring requirements with those of the concert syllabus at home? Did a calculated risk turn out to be ill calculated?

It is too late now for such speculations. Bartók Day has come and gone, and the great tribute of homage proved rather disappointing. I cannot help feeling, as a Bartók enthusiast who not miss the late-night programmes all this week on BBC 2, that the disappointment could have been avoided.

drudges up mostly the hysteria of cruel Regan, and a production filled by performers might have a consistency that Mr Trotter's *King Lear* lacks. Against such resolute presentation of self, there is the additional contrast of the classical authority of Meg Davies as Cordelia. Other performers are used for their beauty and are placed as images in Mr Trotter's pictures.

There is a coherence, or there would be no force in the conclusion. The only inadvertent laughs can be traced to the elaborate falseness of some costumes. Given a few more performances, the varying styles of the actors may well come closer together and the first half may begin to match the visual imagination of the design. There is imagination and that more than anything else bodes well for the future of the Northcott's new regime.

Last night's television

Man Alive
BBC 2

Michael Ratcliffe

That the company of disabled people can make inspiring television has been proved more than once, most recently in *Arena's* film about the Graae Theatre Group, *Getting Along from Sidney*. Man Alive decided to make a programme about the will of the disabled to some kind of independence and normality, concentrating on the experience of Alison French, 17, and Steve Burton, 29, both spastics with serious problems of speech and co-ordination, and Billy Walsh, a Barnardo boy of 19 with spinal atrophy so severe that he has to be turned once an hour through the night lest the damage himself sleeping, but whose speech is mercifully, indeed mischievously, articulate and complete. "What happens if you get drunk?" Michael Dean asked him. "What happens if you get drunk?" came the swift and only possible reply. "You get a sinking headache the next day." So... We are no different from you, they claim, misadventures only our bodies are less able than yours.

Not all the questions we wanted to ask were made clear by the unseen Dean, but it is hard to see how his handling of the three subjects, or the shaping of the material into an intelligent and moving whole (producer Ann Paul, editor Tim Slessor), could have been better.

Very Independent People was in many ways a model of how such things should be done. It forced us to question our preconceptions of definitions of eloquence and normality, whilst making it unambiguously clear that "independence" for the disabled can never be other than relative and costly.

What did not emerge clearly was exactly who pays for the college at Cheltenham, now attended by the exuberant and greatly loved Alison; or for the marvellous centre in Camden run by a former Cistercian with a small silver disc in one ear, where Billy is dictating his memoirs; or for the system of Community Service Volunteers, without whose constant attention the joyous and nicely sarcastic Steve would not have been able to work for the past seven years as company lawyer in charge of the legal library at ICI. Rather surprisingly, the Cistercian ducked Mr Dean's question about sexual activity and the disabled, leaving the impression that it was none of his, or our, business, but, that as far as he was concerned, anything went. Correct, I suppose, on both counts.

Further questions insisted themselves—what happens, for instance, when the disabled and their otherwise unemployed young CSVs start competing for the same jobs? How exceptional are these three? But they were the means of the programme's thoroughness rather than any negligence. Independence was triumphantly asserted as a state of mind; the screen held throughout by the determination and indomitable ability of Alison, Billy and Steve, each coping with the additional hazard of television camera and crew, and very compelling they were.

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King Lear
Northcott, Exeter

Ned Chaillet

Sniffing schoolgirls could testify that Richard Mayes tapped some of the tragic force of Lear in a performance that is as yet partly bewitched by the power of the past. In the earlier scenes events rush headlong past him and he barely suggests the "dragon and his wrath" that should set the tone for Stewart Trotter's production. His gentle, stated but full-hearted display of grief at the foolishness which cut him off from Cordelia.

A splendid backdrop of a fiery dragon surrounded by suspended celestial globes, designed by Tim Reed, would suggest that Mr Trotter originally intended to wake the dragon in *Lear* in the first half, but that

Opera

Ariadne auf Naxos
Nottingham

Paul Griffiths

There really seems little point in a company presenting *Ariadne auf Naxos* unless they can march Strauss's extravagant vocal demands and also field an orchestra with the confidence to wrest glory from vulgarity. The English National Opera is not in that happy situation, and its new production of the work, introduced on Wednesday, is correspondingly less than wonderful.

One plus point is that the producer, Jeremy James Taylor, has had the wisdom to leave well alone. He follows fashion in updating the opera to the

Orpheus in the Underworld
Sadler's Wells

Anthony Masters

Some years ago, in a notably desperate publicity drive, Sadler's Wells Opera (as it then was) coined the phrase "Offenbach's swinging musicals". The Singers' Company have put it into practice and no mistake.

period of its composition, or thereabouts, and that gives Deirdre Clancy the opportunity to dress *Ariadne* and the Nymphs as if they had stepped out of the 1930s. The production is limited to the provision of a staircase, decorative but totally purposeless in that it goes up only in order to come down again.

Evidently the fear was that the main act of the opera would be too static without some large apparatus on which the cast might gently ripple and pose, though it is odd that the staircase should suddenly become covered with dust-sheets when it had been all gleaming white, wrought-iron work in the prologue. One half expects that the Composer's "Opera Seria" will be dis-

turbed not only by the clown show but also by the visitations of chimney sweeps.

The prologue is less perplexing and benefits too from the E.N.O.'s great strength in character singing. Neil Howlett is a fussy year dignified as the Music Master, and his balletic opposite number is made by Stuart Kale to mince, but also to sing clearly and attractively. The Composer, looking rather like Shelley just come in from the wind, is sung by Sally Burgess as a youth ardently in love with himself, responding much more with sorrow than anger to the obstacles put in his way. It is pity that Miss Burgess's tenderness hardens when the voice is pressed.

After the interval the stage belongs largely to Marilyn Hill Smith as Zerbinetta and to her

Death of an Anarchist at its most self-indulgent.

I suppose it is an achievement of sorts to make the worst of John Copley seem a miracle of refinement. The tragedy is that these are good singers and could have made up an exquisite production if such a low view had not been taken of the audience's taste.

Cabaret included, Ann Mackay's Eurycleia is beautifully and surely sung, with style in pleny. Introduced on his every entrance by a raucously recorded can-can, Martin McEvoy's

four cronies: she gives a nicely (flimsy) performance and she gets the notes, even if her tone is sometimes thin. Hilary Western, singing *Ariadne* at short notice, is naturally cautious though I would have thought her role was not suited to the role in any event being very appealingly soft and pure. As such it combines rather strangely with the heavy-weight tenor of Kenneth Woollass, as Bacchus, heroically decisive in ten, in his frequent flatness. It is, however, Mr Woollass who gives the evening its keynote when he enters vested as one of the more decadent Roman emperors, in full gold armour with dressing-gown, for the cheap glitter and the lassitude are all there in the score as conducted by James Lockhart.

British premiere

Martin's opera *The Greek* (based on Kazantzakis's novel *Christiasthi*) will receive its British premiere by Welsh National Opera in Cardiff on April 29.

Some of the reviews on this page are reprinted from yesterday's later editions

Pluto still phrased his "rustic" number with true affection, and Rebecca Gaine's Diana (originally addressed as Lady Di) is pretty, witty and musical.

A pocket production of *Orpheus*, strongly sung, would give pleasure in arts centres from Mull to St Ives, and perhaps one day this company will do it. But they need to transmute their professed aim to "reach audiences who would not usually go to the opera" into a different key. For this show, I suggest a circular to rugby club.

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A cool lady facing UN realities

Mrs Jeane Kirkpatrick is the steel tip on President Reagan's new hard-arsed foreign policy. Once one of its foremost philosophers, she now has to articulate and defend that policy as the new United States Ambassador to the United Nations, in the most difficult forum in the world.

The former Professor of Government at Georgetown University had her first bruising encounter with the realities of the United Nations last week. It took four days to reconcile the attitude of the United States with that of the other members of the Security Council on whether to criticize Israel in the resolution deploring the death of two Nigerian members of the UN force in Lebanon.

It was just after that formative experience that I spoke to her in her office across First Avenue from the United Nations building. It had clearly been

movements in Africa, had made the United States more popular with the Third World nations—in a majority at the UN—than it had ever been before. When I made that point, Mrs Kirkpatrick reacted sharply.

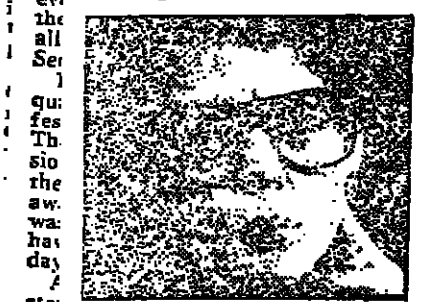
"I believe," she said, "that the principle purpose of American foreign policy should be the civilized defence of a civilized concept of our interests... the Carter Administration gave it up in favour of identification with the interests of other nations."

"Other countries who profited from the Carter conception will regret the change, but I hope the Reagan Administration will have a foreign policy characterized by greater realism... I hope we can have good relations with a wide variety of nations."

Mrs Kirkpatrick, a member of the Cabinet, enjoys contributing to policy making, but she has found that frequent Cabinet meetings make it hard to spend much time in New York, where her job is. During last week's difficult Security Council discussions she had to leave much of the running to deputies, while she had the final say only from a distance. That kind of logistical difficulty is likely to ease as the administration becomes more used to being in power and fewer Cabinet meetings are held. The larger contradiction of her job, the attempt to win understanding of the new aggressive foreign policy from nations inherently hostile to it, will not grow simpler. "I have always thought the world is very complicated, but the job is harder than anything I had ever conceived of."

The professor's lectures are certain to be well attended. While she cannot expect the bulk of her new students to share her vision of the world, they will be left in no doubt as to its nature.

Michael Leapman



Mrs Kirkpatrick: crisp.

a strain, but her cool head and her sharp perception of her role remained intact.

She is a slender, slightly stooped woman of middle age, with a well ordered mind reflected in her black, crisp, conservative dress.

The Security Council showdown had, she felt, been educational. "I learnt a lot about how the parties at the United Nations go about trying to develop consensus," she said, "and a lot about the principal obstacles to consensus, the informal alliances and the shifting positions."

Consensus is not a word easily associated with Mrs Kirkpatrick, who brought herself to the attention of Mr Reagan's talent spotters in late 1979 with an article in the conservative magazine *Commentary* amounting to an orchestrated assault on President Carter's human rights policy. In a follow-up article in the same magazine this year, she related that criticism specifically to Latin America.

"The human rights policy was ill-conceived and worked badly," she said bluntly in the interview, referring in particular to its effect on changing the governments of Iran and Nicaragua.

"I take a dim view generally of the United States or any other nation trying to destabilize existing governments and build new ones. It almost never works."

"When dealing with foreign societies the likelihood of successfully producing the kinds of governments and policies you desire is extremely low... It's a good example of the arrogance of power to try."

Yet at the United Nations the human rights policy, together with the Carter Administration's support of liberation

In the article by Ivor Crewe on Monday, it was stated "Labour parties do not survive for long... without a distinctive social base". This should have read "Major parties..."



Above: An artist's impression of the Columbia space shuttle as it lands; right, on the launch pad; far right, the shuttle astronauts Robert Crippen and John Young

The shuttle that could put America ahead in space

The American engineers who built the new, reusable space shuttle will know in 10 days' time if their revolutionary vehicle will restore the American lead over the Soviet Union in space technology. Almost \$10,000m has been spent on the first spacecraft which can make repeated journeys into orbit, carrying enormous cargoes of satellites and other equipment for scientific, commercial and military customers and non-astronaut crew.

A decision was made early in 1972 to develop a vehicle, about the size of a DC3 jetliner, which could be launched into orbit like a spaceship and return to land like an aircraft on a runway. After maintenance the craft would be ready for relaunching within two to four weeks and could possibly make up to 100 journeys into space in its lifetime. If it succeeds it will substantially reduce the cost of space operations, depending as

they now do on expendable rocket launchers.

The first launch of the Manoeuvring Space Transportation System, to give the shuttle its full name, is more than two years late and the budget far exceeds the original estimate of \$5,500m.

The aircraft-like part of the shuttle—the Orbiter, carrying the crew and up to 65,000lb of cargo—is the heart of the complex system. Five immense engines are needed to get it aloft; three form part of the spacecraft itself and the other two, called solid rocket boosters, are strapped underneath. Together they generate a launch thrust of 6,425,000lb; that is 30 times the power needed to get a fully laden Jumbo jet off the ground.

Massive technical achievements have gone into building the shuttle: a new type of rocket engine working at unprecedented temperatures and pressures; a novel material

for thermal insulation which covers the Orbiter in a mosaic of 35,000 individually cut tiles; and a huge special fuel tank made with an intriguing layer of material in the form of a honeycomb which provides stability and strength for little weight.

The craft is 121ft long, has a 78ft wingspan and weighs about 150,000lb without fuel. In addition to a pilot and co-pilot, up to five scientists and technicians can be carried to operate equipment and conduct experiments plucked from their orbits by the mechanical arm carried on board.

After its first four test flights the shuttle will land on a dry lakebed in the Californian desert; the prototype has already made successful trial landings. It is therefore being launched from its piggy-back berth on top of a Jumbo. When it goes into service it will be launched from Cape Canaveral on civil mis-

sions, while military flights will be launched from the air force base at Cape Vandenberg in northern California.

Since full, unmanned tests have not been possible the enterprise ranks in terms of valour with that of the first man in space. The launch will be manually controlled but the return will be a largely automated process with the pilots monitoring their cockpit instruments.

As the shuttle has no means of propulsion once it is back in the earth's atmosphere, an advanced navigation and guidance equipment is fitted to bring it safely down on its own automatic approach. The first mission to test the basic design will last two days; subsequent flights will be longer.

Special techniques are needed to ensure that different types of apparatus can be assembled properly in space. One ambitious plan is to carry a small rocket motor in the cargo bay

and use it to propel spacecraft into deeper parts of the universe.

The shuttle will also carry a telescope 8ft in diameter which should make detectable the nearest suspicion of a light source not seen from the ground. Another scheme is the Spacelab, the manned orbital laboratory now being developed in Europe. It will be carried on a number of shuttle journeys and enable scientists and engineers on board to carry out experiments which it would be impractical or even impossible to undertake on earth. These could include creating new metal alloys, making pure chemical agents and manufacturing new drugs and electronic crystals.

If the National Aeronautics and Space Administration succeeds with the shuttle, the Americans will have overcome one of the major barriers in manned space flight. For the reusable vehicle is not simply

an evolutionary step in the development of rockets; it has been called a space truck because it is intended to carry equipment and scientists who will need little training to work in space and for the first time to bring cargoes back to earth.

Once the shuttle is ready for regular service, NASA expects to sell space on board to industrialists and commercial organizations for the type of experiment mentioned earlier.

The shuttle will orbit at about 150 miles from earth. It can carry four communications satellites, each equipped with its own small rocket, to put it into orbit 20,000 miles over the equator. One launch planned for 1984 would carry four such satellites paid for, respectively, by Indonesia, Canada, a consortium of Arab countries and the US Navy.

Pearce Wright
Science Editor

Geoffrey Smith

What makes a Labour moderate stay on?

seen to be no longer at the steering wheel.

It would be a brave person, however, who was prepared after the past 18 months to put his money on the automatic triumph of logic in the Labour Party. If the right and centre are to win they will have to fight more effectively than they have for many a year. There are some signs that they mean to do so. The establishment of the new Labour Solidarity Campaign is a reaction against the hard left and an expression of disgust at recent shenanigans.

Already the campaign has been joined by more than a hundred MPs, including four members of the Tribune Group. It has also won a large number of supporters outside Parliament from all parts of the country, at all levels in the party, and from right to left. This broad range of support across the spectrum is a measure both of its potential strength and its weakness.

A group such as this, with backing from some of the reasonable left as well as from the

right and centre, is well placed to isolate the Militant Tendency and other representatives of the hard left. It is not so open as other bodies are to the charge of dividing the party. Already it is holding meetings at regional Labour Party conferences, and the number of meetings up and down the country is expected to multiply with requests coming in from many quarters.

There will possibly be some major rallies in September, during the run-up to the party conference, which may well be occasions for the mainstream of the party to come together.

But Solidarity is able to give the impression of being such a broad operation only by limiting its objectives. It is concerned essentially with the way in which Labour conducts its affairs, not with the policies for which it stands. It is not for or against NATO, or for or against the EEC. It is concerned with that these and other questions should be debated within the party in a reasonable fashion, with Labour representing the

feelings of the majority of people in this country. It wants members of the party to behave towards each other in a more decent and comradely fashion than has been the custom over the past two years.

At the same time Solidarity is striving for democracy at the levels in the party. It therefore wants to reverse the Wembley conference decision which gave the largest stake in the new electoral college to the trade unions. It wants to maintain the existing arrangement whereby responsibility for the manifesto is shared by the Shadow Cabinet and the NEC. It wants to prevent Labour councillors being dragged down by their local parties.

Now all of these are perfectly sensible purposes. If they had been achieved a little while ago they might have been sufficient to prevent the party sliding into its present confusion. But they will not be enough at this stage both to wrest power back from the left and to demonstrate to the electorate that this has been done.

It is true that a great deal of drama is likely to be attached to the attempt in October to amend the Wembley conference so that MPs should have 50 per cent of the votes in the electoral college, with 25 per cent each going to the trade unions and the constituency parties. But this would be no more than a return to the rather less satisfactory outcome secured at Wembley if the right had not bungled their tactics. It would be presented as the turning of the tide against the left, but if it were believed it would be a massive public relations triumph—and no more.

If that tide is really to be turned it will require a rather more bitter battle than Solidarity seems to contemplate with its pleas for reasonableness all round. The general public will be persuaded that things are different in the Labour camp only if they see the right and centre fighting and winning on a major point of substance.

In the organizational field there are two possibilities. One is to change the balance of power on the NEC. The ideal way would be to reform its structure, but it would be sufficient if a right-wing majority was elected on the existing system. Attempts are on foot to bring about such a change, but one has heard such hopes for so long that a large bubble of scepticism is not unreasonable on this point.

The other possibility would be to proscribe those who join extremist groups from membership of the party. This would arouse very strong feelings within the party, but it would at least show that Labour was once again prepared to take action against the threat of "entryism".

But above all the right need to show that the left no longer have a grip on policy. There are two obvious areas where this battle might be fought. One is on Europe. The difficulty here is that this is the one issue on which the right is not

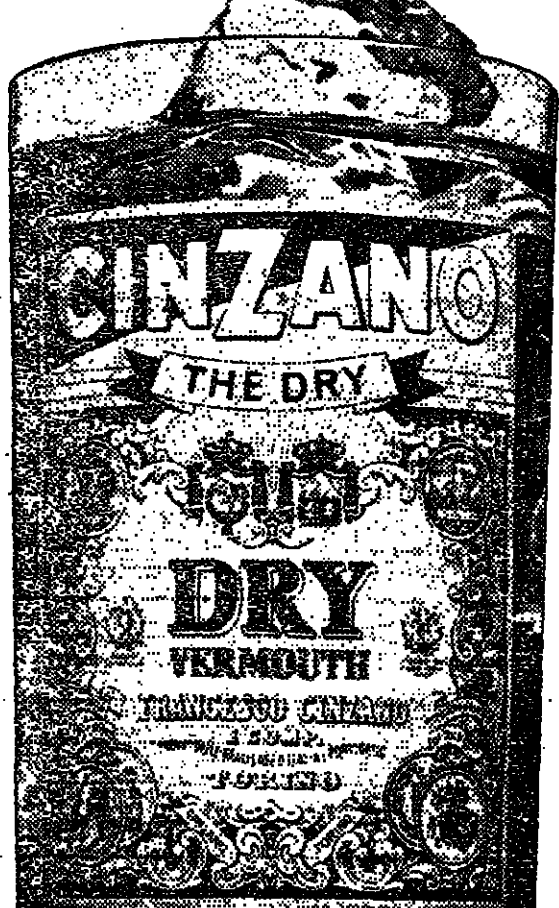
only divided itself but is out of step with opinion in the country. It could at the very least take its stand, though, on the principle that Britain should not be taken out of the Community without another referendum.

Then there is defence, the issue on which Gaitkell was prepared to fight and fight again. In one sense it is more difficult for his successors, in that anxiety about nuclear weapons probably spreads more widely across the political spectrum these days. But the issue itself is just as important. As a minimum, the Blackpool absurdity must be sorted out so that Labour is no longer espousing a defence policy that is incompatible with NATO, even though it wishes to remain in the organization.

But to be convincing, the party needs to go beyond that to accept some of the uncomfortable policies that would demonstrate that Britain would remain a leading member of the alliance under a future Labour government.

If it would go as far on Cruise missiles as Chancellor Schmidt has done in Germany, Labour would receive some strong criticism but it would also win a new measure of respect as a party that once again had the courage to take unpopular decisions.

Keep the party dry.



Cinzano makes other vermouths seem a little wet.

Being young and lucky in Russia

The thaw has come early this year. Gentle winds from the south have pushed temperatures in Moscow up to their March warmest for more than 100 years, and the winter's snow, by now mostly compacted, has been melting fast. It makes a terrible mess. As the detritus of six months is revealed, potholes appear in the roads and cars and people blacked from splashing through pools of muddy water.

No wonder Lenin organized a grand clearing-up day, which has become a virtual legal obligation. On one Saturday every April Soviet citizens are obliged to arm themselves with spades and brooms to get rid of the dross of winter, and plant flowers for the summer.

Perhaps the only people who enjoy the thaw are the children. Still muffled in thick leggings and woolly hats, they can be seen in the courtyards and back alleys dumping the streams of melting snow and chipping canals in the ice for muddy water. Watchful grandmothers in headscarves and padded coats admonish them in stern tones, pointing out in a hundred different ways that this or that is forbidden.

It seems to have little effect. I sometimes believe there are only two categories of people in the Soviet Union who matter: the elderly matriarchs, the generation widowed by the war, who really run the country and whose toughness is more than just proverbial—especially if you try taking one of them in a queue or getting off a bus—and the children. The only privileged class, as Soviet officials are fond of saying.

Life for a child in Russia is not bad. Indeed one of the main worries of sociologists and

family counsellors is that it is too good. Russian children are terribly spoiled. Partly this is because of natural Slavic sentimentality and fondness for children, partly because most Russian families nowadays have only one child. For the generation brought up in the harsh post-war days of rationing and deprivation, nothing is now too much for their children. "I'm determined to give them what we never had," is a common sentiment.

Spoiling them materially is perhaps a bit harder than in the West, mainly because the quality of Soviet toys is so appalling. They can be guaranteed to break within the first few hours of use, and finding something new and worthwhile in the big Moscow toyshops can be a real challenge.

But parents lavish great attention on their children when they see them, which tends to be for only a few hours a day as most mothers have full-time jobs: grandmothers often play an essential role in bringing them up. During the day most city children are sent to nursery school. The system is well developed and caters for those between the ages of three and seven, which is the compulsory starting age for ordinary school. Kindergartens, often attached to factories and collective farms, are generally well equipped and children can stay until 5 pm, with a midday nap. But in spite of all the advantages for children of early socializing, many parents would prefer to look after their children at home, not least because of the high incidence of colds and diseases at nursery schools.

Most Russian blocks of flats are built around courtyards and little gardens which seem to be the exclusive preserve of the young, the old and dogs. There are usually some rudimentary swings and seesaws, roundabouts and climbing frames. The care is brightly painted and often broken, and

MOSCOW DIARY

"Saw me tutor. In a dolt queue, actually..."



at this time of year awash in mud, but that does not deter the children. There are the inevitable benches nearby, and the spring sun brings out the pensioners who remain like fixtures till the autumn, gossiping till twilight and frowning suspiciously at any newcomers.

Old men are more sporting: their favourite game is dominoes, and in most courtyards you find a small gathering of pensioners discussing this or that decisive move.

Older children prefer something more adventurous. In winter they turn up in crowds at enclosed patches of ground, flooded and frozen to form ice hockey rinks where the thrills and skills of the local professionals are re-enacted by their 10-year-old admirers. On Lenin Hills, just in front of Moscow's gothic skyscraper university, boys on sledges hurdle down the frozen paths, shouting warnings to bridal couples posing for photographs and scattering the grandmothers and their small charges.

And up at the vast Permanent Exhibition of Economic Achievements, a bizarre collection of pavilions dedicated to the coal industry, transport, Soviet history, embroidery and craftwork and other manifestations of the Soviet way of life, youngsters can, for a price, take an eight-minute ride in a troika, pulled by three snorting horses steaming in the cold.

But these winter diversions are now over. It is not much fun going to Sokolniki Park, near the centre of Moscow, as I did last weekend, and wading through slush. Expeditions to the countryside are not worthwhile yet—and for the next month or so the best amusements are indoors.

Fortunately Moscow is well supplied. In keeping with the high seriousness of Soviet cultural policy, children's theatre has long been encouraged. Several permanent companies exist in the capital, including a children's musical theatre, putting in suitable edifying performances. The actors are closely involved in teaching and lecturing about drama, and children are often asked to help stage the shows.

The pattern is repeated throughout the country, and some 50 children's theatres have been founded. According to a decree issued more than 60 years ago every theatre is obliged to put on a performance for children once a week, with more during the school holidays. Even the famed Bolshoi does its bit with ballets for children on Saturday and Sunday mornings, preceded by lectures about the company and the art of ballet.

One of the favourites with children is the Moscow Puppet Theatre, founded in 1931 by the formidable Sergei Obraztsov, who is still the director. Though ostensibly for children, it now enjoys a world reputation, attracts many adults and tourists and has made many tours overseas. The puppets, standing about two feet high and controlled by rods from

below, are uncannily lifelike. The repertoire includes the usual pantomime stories such as *Puss in Boots* but has been broadened to take in the special Olympic show, romantic tragedies, vaudeville and such sophisticated parodies as *Uncle Tom's Cabin*. The poor variety show that contains not a little political satire. So successful is the Moscow Puppet Theatre that others have sprung up all over the country: some 100 puppet theatres in 30 different languages.

But Soviet children, like those anywhere, can hardly be counted as regular theatre-goers. Much more of their free time is taken up with activities organized by the Pioneers, a rough equivalent of the Boy Scouts, though without any communist overtones, which almost every child is obliged to join from the age of 10. Pioneer palaces—the largest being aptly named—organize an impressive range of activities and hobbies from stamp collecting to chess, sport to music.

In all, as Mr Nikolai Tikhonov, the Soviet Prime Minister, boasted during the International Year of the Child, some 50,000 establishments in the Soviet Union offer activities for the young. They include 4,700 Pioneer palaces, 1,197 young technicians' centres, 730 young nationalists' centres and 39 children's railways.

But even all this does not guarantee that everyone will be suitably and constructively occupied. A survey found that 90 per cent of Soviet children named television as their chief pastime, adolescents watching between 90 minutes and four hours every day. Those not glued to the screen are just as likely to be out in the yard, kicking a football around or, as now, getting thoroughly and enjoyably wet in the mud and melting slush. It's not a bad life.

Michael Binyon



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THE GANG BECOMES A PARTY

The birth of a new national political party is so rare an occasion in this country that it tells a good deal about the current state of British politics. It is an event of hope born out of despair. It is an event of hope because there is the promise that the party political scene will more fully reflect public opinion if the Social Democrats are playing a prominent part. This would certainly be preferable to continuing the familiar "conflict between the Conservatives and an unreconstructed Labour Party."

The emergence of the Social Democrats is also a hopeful sign because a group of professional politicians have been prepared to put their careers to the hazard. Had they remained in the Labour Party a number of them could reasonably have expected to serve in Cabinet, either again or for the first time. In starting a new party they are taking a enormous risk, even if the prospects now look more favourable than when they took the decision. So in following this course they are demonstrating one of the principle qualities required for effective political action: nerve.

But they would not be taking this chance if they had not despaired of the Labour Party. Throughout its history Labour has been dominated by the unions. This has become more objectionable as union power has grown to the point where it is widely resented by union members as well as by the general public. Even so, union dominance was generally considered to be a price worth paying to prevent the party being controlled by the left. Since the last election, though, Labour has had the worst of both worlds: an objectionable degree of union power which has nonetheless failed to hold the left in check.

This has provided a sufficient justification for the decision of the Social Democrats to break away. There are honourable reasons for Labour right-wingers staying to fight their corner within that party. But after everything that has happened in the past eighteen months there can be no question of the Social Democrats indulging in a futile and idle gesture. They are engaged in a daring enterprise, which may or may not succeed, but which must be taken seriously. Its prospects will depend significantly on the fortunes of politics beyond their control. Above all, what will happen to the Labour Party between now and the election? But there are other determining

factors which they can affect. The first is how they will present themselves to the country in policy terms. Most of the policies which they put forward in their twelve-point programme yesterday are ones which we as a newspaper have long supported. They are in favour of Nato and the EEC. They want to continue with the mixed economy and to introduce proportional representation. Yet sensible as these policies are, there is a paradox in a party offering a new beginning which on closer inspection turns out to be a modern version of Butskellism. Indeed, with the exception of proportional representation there is no major policy being propounded by the Social Democrats now which was not at least attempted by the Callaghan Government. The freshness, therefore, lies not as yet in the policies which are being put forward, but rather in the position from which they are advanced. The Social Democrats are not tied to the unions, they do not carry the handicap of an unrealistic and irresponsible left wing, and they are not associated with any one class. At a time when both Labour and the Conservatives have broken away in different directions from the postwar consensus, there is a place on the political spectrum for a party that is seeking essentially to bring that consensus up to date. But it will need adroit presentation to freshen the impression of freshness at the same time.

It follows that they will remain under pressure to produce bolder and more detailed policies than they have yet revealed. Here they will need to strike a delicate balance. A party whose principal attraction is that it is free from the constricting dogmas of others must be careful not to saddle itself with a new ideology for the sake of something to say. At the same time, it will have to say enough to appear credible. The doubt about the Social Democrats that is most frequently expressed by voters is put in the form of the question: "what do they stand for?" The party does not need to publish a detailed blueprint, but must say sufficient to answer that question satisfactorily.

Another delicate issue for the new party is its leadership. For the moment the Social Democrats are making a virtue of their collective leadership. There is a case for following the example of the German Social Democrats and having one leader in Parliament and another in the country. But the principal argument for

the collective leadership of the British Social Democrats at this time is the difficulty of determining which of them would make the best individual leader.

Mr Jenkins is the most experienced. Mrs Williams is the most popular. Mr Rodgers is the most adroit. Dr Owen has the sharpest cutting edge. As he is in the House of Commons, which the other two are not, and as he is already the leader of the party in Parliament, the case for making him the overall leader might seem strong. It is certainly true that without Dr Owen's pugnacious qualities the Social Democrats would not be where they are today. This toughness is essential in the leader of a new party breaking away from old alignments. It is impossible to conduct such an operation without giving offence. Yet Dr Owen's capacity for giving offence goes beyond what is necessary. Despite his rapprochement with Mr Steel on television this week, he is the one among the prominent Social Democrats with whom the Liberals have the worst relations. At this stage it would be wise to leave the overall leadership of the party an open question, especially as the relationship with the Liberals will be critical.

An effective partnership between the two of them is necessary to both for two different reasons. An electoral pact is needed to ensure that they are not competing for the same votes in constituency after constituency. But a deeper alliance is required if the electorate is to be convinced that this new grouping is more credible than any other claimants to the centre-left territory of British politics for the last half century or more. It is because the Liberals by themselves have never looked credible enough that they have never quite made the breakthrough. Mr Steel was right, for this reason, to press again yesterday for more than a mere electoral pact. The closer the arrangement between the two parties will look. If they can agree on policy priorities, and campaign jointly, with the promise of forming a coalition if they win enough seats, they will then be presenting the established parties with a formidable challenge that might indeed change the face of British politics. Their dilemma is that the more successful they are in forcing moderation on the other parties the more likely they are to fail.

WHAT ELSE CONVINCED LORD TREND?

Mrs Thatcher's statement in the Commons yesterday set out to answer two main questions arising out of allegations made by Mr Chapman Pincher in his book on the security services. The first was to comment on "the fact that the late Sir Roger Hollis, Director General of the security service from 1956-65, was an agent of the Russian intelligence service". The second, more general, purpose of the statement was to reassure Parliament and public that "whatever the merits of the allegations about Hollis and many other intelligence officers which were made in Mr Pincher's book the procedures in the security services are functioning properly and do not need to be revised."

Mrs Thatcher confirmed that there had been a wide ranging investigation into the security services following the defection of Burgess and Maclean. It covered many people all of whom since either died or retired in public service. The investigation reached not only those suspected of being guilty of treason but those who could conceivably fit the often inconclusive descriptions of "a charge of espionage" or "a charge of being a spy".

Mr Roger Hollis was investigated because certain leads suggested that there had been a let agent at a relatively senior level in the last years of war. Though none of those is specifically identified Sir Terence's pointed solely in his action "he was among those who fitted some of them". He therefore investigated after

his retirement. Mrs Thatcher confessed that the investigation did not conclusively prove his innocence since it would have been hard to do so, but added that no evidence incriminated him and the conclusion reached was that he had not been a Soviet agent.

However, this view was challenged by at least two of Sir Roger's colleagues who had participated in the enquiry. They pressed for it to be reopened. When Lord Trend was called in to review all the material, and interviewed Sir Roger's accusers, he concluded that the first enquiry had been carried out satisfactorily and that the leads which purported to identify Sir Roger could be explained by reference to Philby or Blunt. Mrs Thatcher, after discussing the matter with Lord Trend, stated that he agreed with those who, though it was impossible to prove the negative, had nonetheless concluded that Sir Roger had not been a Soviet agent. The Prime Minister did not reveal why Lord Trend's conclusions appeared to the matter to an end when the earlier enquiry had not done so, at least in the minds of two people who had taken part in it. Was this because Lord Trend had access to more information than had been available to the original investigators or was it simply because he agreed with the majority verdict? And did his conclusions satisfy the two doubters?

Mrs Thatcher could have amplified this assertion without revealing anything sensitive and her inability to do so is unfortunate. She has now officially revealed that there were serious professional suspicions about Sir Roger which do not seem to have been dispelled but

merely disposed of, as it were, by majority verdict. The official view, and Sir Roger's supporters within the security service, may claim that his innocence has been upheld. Others—including presumably his doubters within the service—can only reach a less generous conclusion of "not proven".

On the other matter it was right for Mrs Thatcher to institute a review into security procedures and practices. The recommendations of Lord Radcliffe have now been in force for nearly 20 years. No system, particularly one as sensitive as the security service, should be lulled into any sense of self-satisfaction with its work. Lord Radcliffe's report brought in some necessary reforms after a period of scandals caused by the undisciplined—indeed almost suicidal—recruitment of subversives during the late 30s and the period of the war. Many of our security defects dated from decisions taken at that time, and from the fact that those decisions led to the recruitment and promotion of many traitors. As the Prime Minister said yesterday, there is a different environment now from those scandals of long ago, and the security commission will have to consider how to strike a new balance between the needs of national security, the need for efficiency and economy, and the individual rights of members of the public service.

It must be hoped that Lord Diplock's report will be as comprehensive and revealing as was Lord Radcliffe's, and will contain clear and lasting recommendations. The inadequacy of his enquiry into the matter of telephone tapping is not a reassuring precedent.

In 1964, in fact some of the provisions of the original regulation, mainly those relating to tax collection and local government, are still operative. This society now possesses ample evidence of the violent methods employed by the Bangladesh forces to impose the Government's will on the tribal peoples whose habitat, way of life and indeed that life itself are threatened with destruction.

Lamentably this is not a unique example: similar situations obtain in the Philippines, Brazil, Paraguay and other parts of the world where indigenous peoples are being destroyed in the name of progress. Strong men in a hurry tend to take decisions and inspire action which can produce irreversibly destructive results. Yours faithfully, PETER DAVIES, The Anti-Slavery Society, 180 Brixton Road, SW9, March 19.

The discretion to prosecute

From Sir David Nepley

In the statement which I recently issued to the press (The Times, March 20) I observed that recent events "go to the very root of the discretion to prosecute". That, however, cannot, I believe, be said for the article by Ronald Butt on the subject (March 26).

Either every crime disclosed, with sufficient evidence amounting to a prima facie case, must be the subject of prosecution or the prosecuting authority must be given a discretion whether or not to proceed. For as long as can be remembered a discretion has been vested in the Law Officers, the Director of Public Prosecutions, since the office was created, and thinkable as it is to decide whether any citizen should or should not be prosecuted.

The test applicable is also clear: first, whether there is sufficient evidence to raise a probability that conviction will result, and secondly, whether the public interest requires that a prosecution be launched. One factor in determining the public interest (and I have never suggested it was the only factor) is "whether the indirect punishment and hardship which a potential defendant may suffer is likely to be so disproportionate to the severity of the alleged offence and to any penalty likely to be imposed by a court that it would be unjust to prosecute".

That that test is and should be applied has been, within my personal experience, the practice for over 45 years.

In his book, *The Discretion to Prosecute*, A. F. Wilentz, formerly Chief of the Home Office, lists the reasons for not prosecuting, one of which is: "Where a prosecution would bring disproportionate consequences to the accused who has a good character and reputation."

Parliament has the right, and must always continue to have the right, to question any such decision by calling upon the Attorney General to justify it. What cannot be right, and what is irresponsible, and which should never be permitted, is to frame public questions to the Law Officers as are calculated and intended to frustrate and nullify the effect of any such decision, in advance of any explanation.

It is not, and cannot be, simply a

question of not prosecuting someone "because he is well known", as Ronald Butt suggests. That wholly misrepresents the position. Indeed, in many cases when the balance comes to be weighed, the prosecuting authority decides the while in the ordinary way in which it decides against prosecution, it must nevertheless proceed because of the fact that the person concerned is well known, and cases are frequently called in by the Director to ensure that the proper balance is struck in that very direction. Often as a result "the well known" suffer greater hardship. It always remains a question of balance.

But, asserts Ronald Butt, in the case under discussion it was not merely obscene but related to the "abuse of children". What then if his assertions were true? The offence of sending obscene material through the post, especially in sealed envelopes, is not regarded by the courts with any degree of seriousness. Whether the decision was right or wrong, two who were involved because of the particular nature of the material were given only conditional discharges by the court. The philosophy of the Post Office legislation is to prevent citizens being affected through the medium of the post, with obscenity which they have no desire to see.

The Act does not and was not intended to draw distinctions between different types of obscenity. It is the existence of which has to be considered, not what others consider it ought to be. It may be said with justification that the sending of such literature through the post, or even merely possessing it, if it causes in any way to children should be made a most serious offence. If so, it is for Parliament to legislate; the present statute does not begin to aim at that objective. It is certainly not, as Mr Butt is the first to agree, for a prosecuting authority to usurp the function of Parliament. If it did the mischief might become worse than the disease.

How then, asks Mr Butt, does the DPP justify non-prosecution on the grounds that no financial gain was involved and that the material was not unsolicited? In enforcing the law, regard must be had not only to the letter but also to the spirit. The Post Office Act, as I have already said, is directed against the use of the post for sending recipients with obscenity they have no desire to see, but certainly, in my view, it does not even within the spirit draw distinction between obscenity which relates to children and that which does not.

The discretion to prosecute which exists in every civilized country, and without which the machinery of justice would grind to a halt, involves difficult, anxious and responsible decisions. In the final analysis trust must be placed in those charged with that responsibility, subject to the parliamentary safeguards I have described.

If Mr Butt's arguments were carried to their logical conclusion there would be no factors which might properly be taken into account and the discretion would have disappeared. It would be a sorry day for justice in this country were that to happen.

Yours truly, DAVID NAPPLEY, 107-115 Long Acre, WC2, March 26.

Nationality proposals

From Mr John Matthews

Sir, Recent correspondence on the Nationality Bill has shown how difficult it is even for the informed to grasp the full significance of all its implications, and it is not therefore surprising that one key element seems to have been overlooked by your correspondents so far: the retroactive nature of the measure dealing with the right to transmit citizenship.

As has already been pointed out, the Government intends to allow three categories of Britons—those who are British by birth, registration or naturalization—to pass on their citizenship to their children wherever they are born, whilst the fourth category, to be known as Britons "by descent", will not have this right. Their children will qualify automatically for British citizenship if born in the United Kingdom.

What is not generally realized is that category four will include many born abroad before the Bill becomes law, whose British-born parents were in many cases given assurances by the Foreign Office (in perfectly good faith, I hasten to add) to the effect that birth abroad would not disadvantage their children in any way.

curious side effect of this anomaly in the proposed legislation is that it penalizes legitimacy. For the last two years or so, British-born

mothers who have given birth to illegitimate children abroad have, as a concessionary sex equality measure, been able to register them as British. Such children, as Britons by registration, will now be able to pass on their citizenship without constraint, a facility the Government wishes to deny "category four" Britons—the legitimate children, born abroad, of British parents.

Yours faithfully, JOHN MATTHEWS, 105 Avenue Daniel Boone, 1160 Brussels, Belgium.

Free inquiry

From Dr Nicholas Palmer

Sir, An advertisement placed in your columns this week (March 18) by the South African Embassy refers to their country as belonging to the "Free World". Since freedom of the press, freedom of political expression, freedom to select the area of residence and even freedom to choose marriage partners are all circumscribed in South Africa, perhaps the Embassy would like to insert a further advertisement defining their understanding of the word "freedom"?

Yours faithfully, NICHOLAS PALMER, Rhenenweg 73, CH-4008 Basel, Switzerland, March 20.

Tamezin Club

From Miss S. Ooi

Sir, With reference to last Saturday's edition of *The Times* (March 21), I should like, briefly, to put down a few ideas about Tamezin Club—what your reporter cannot know too well since he insists on calling us "Tamezin". It is an activity-based club, open to girls from 8-18 years of age, of all races, creeds and backgrounds. It offers a choice of ballet, sports, art, craft, pottery, guitar, folk-group, journalism and drama.

The aims of the club are to foster the human, social and spiritual development of its members, to broaden their horizons and outlook, and to draw out their talents so that each youngster acquires a complete and well-balanced personality, at the same time as they enjoy themselves. A close link with members' parents is always sought and maintained—in fact, many come each week, either

to bring or collect their children, or to help in one way or another. These are the aims which are set out in any publicity and have also appeared in the local press and also incidentally in ILEA's own publication, *Contact* (February 29, 1980), after Princess Alexandra's visit to the club. They are also always explained to parents.

I am surprised to see that you continue to repeat unsubstantiated allegations about Opus Dei which have already been denied by a rectification and article in your own paper. Moreover, could I clarify for you that many of the people helping to run Tamezin Club—as tutors, teachers—are not involved in Opus Dei; a good number are non-Catholics. Yours faithfully, SUZANNE OOI, Chairman, Tamezin Club, 1-2 Chelsea Embankment, SW3, March 23.

The spirit of Jarrow

From the Venerable S. Harvie-Clark

Sir, I am a little distressed at the suggestion in your headline today (March 25) that the Jarrow march was a protest march.

I was Rector of Jarrow at the time and conducted a service for the marchers before they set out. The sole object of those wonderful men was to draw attention to the plight of their town. They were not bitter or militant but anxious to

gain publicity for the need of new industries now that their shipyard had been closed.

As a result of the march, Sir John Jarvis was instrumental in getting the tube works opened on May 27, 1938. I still possess a specimen tube in the form of a napkin ring given to us all at the opening. Yours faithfully, S. HARVIE-CLARK, Stow House, Skillington, Grantham, Lincolnshire.

Universities' adjustment to leaner times

From the Vice-Chancellor, University of London

Sir, Some people criticize universities for being unable to make decisions and many have queried whether the University of London would ever reorganize medical education. All attempts would end, they said, as they had always ended, by every scheme for reorganization being rejected.

They are wrong. So far publicity has concentrated on the "rejection" of this or that report and the protests of varying medical schools against proposals. It is true that the deans, professors, and staff of these schools, to their students and to the way they think medicine should be taught, and long may that last. But what has really been in train during the last two years is an investigation going on month after month into exceptionally difficult problems.

A scheme has now finally emerged which has won general acceptance among my medical colleagues. The credit should go to them (and to the secretariat who serve them) for the way they have agreed to concentrate resources, and to share those resources between schools. They have recognized that only thus can medical students be taught all the subjects with which they need to be acquainted on registration. What is more, they came up with proposals for the good of Greater London and have concentrated resources in Tooting or in Paddington, where patients are indigent, though they have no easy access to them.

The Senate has now accepted this scheme. Everyone present voted in favour. No one abstained. The Court will now consider this academic decision in the light of the university's finances.

Plans are simply paper until they are implemented, and arrangements between the Middlesex and St Mary's Hospital medical schools and University College need further examination, and so do the arrangements between Queen Mary College,

St Bartholomew's and the London Hospital medical colleges. Proposals still have to be made for dental education. What is more, the future of London's most famous post-graduate medical institutions hang in the balance since the application of the Government's policy on overseas student fees has made their prospects at the moment unattractive.

Of course there will be sore hearts, as there must be in any scheme for reorganization, but I am not writing to defend it. I am writing to declare that universities can come to decisions, however unpopular. I must confess we are somewhat behind schedule in coming to a decision, but we have taken it in time to help the Department of Health and Social Security (whose patience and understanding of our difficulties has been exemplary) to judge where to draw district boundaries in the health service.

I do not doubt that what the London medical schools have achieved—the non-medical schools will also achieve. For there, too, substantial changes will have to come—though they will not necessarily follow the medical pattern because the problems are different. I claim no special virtue for the University of London. Other universities have problems no less acute and every year, since 1974 when their resources began to decline in real terms, universities, with the help of their trade unions, have taught more students with fewer staff—whose earnings have declined compared with those in similar professions.

Contrary to the sneers of some critics, universities are full of resourceful men and women who can manage their affairs well. They also have a sense of obligation to their fellow citizens.

Yours etc, NOEL ANNA, University of London, Senate House, Malet Street, WC1, March 26.

Civil Service loyalties

From Mr Roland Phillips

Sir, I am a civil servant, and I did join the one-day strike. I am glad that I have paid for what I do. I am, however, a member of one of the Civil Service unions and I am depressed and worried at the present damaging activities of those unions, of which I learn only through the press.

The one-day strike was joined by something between 50 and 60 per cent of civil servants, so that even in the perverse terms of the union organizers it cannot be described as a brilliant success. But such a demonstration had to be staged to give them the "mandate" for the ensuing campaign of the potentially far more destructive strikes which is now going on without, I believe, the full knowledge and consent of civil servants. The declared policy of the limited strikes is that they shall do minimum damage to the Government with minimum financial loss to civil servants as a whole, but an important factor in the policy is that the unions would not get the support of their own members in carrying out any wider long-term action.

It is true that there are areas of grievance and resentment but these were in the run-up to the strike

fomented and orchestrated by the union organizers with the same skill with which they now fit the circumstances.

I believe the present campaign is immoral, anti-social, unjustified and counter-productive: it will at any rate increase quite rightly the contempt in which civil servants already appear to be held by the public.

I hope very much that the Government can hold out and that you will not be discouraged by the tedium of it from daily confronting civil servants with what is being done ostensibly in their name.

Yours faithfully, R. J. PHILLIPS, 32 Tuffnell Park, N19, March 25.

From Mr Michael Shepherd

Sir, I am a civil servant. I do not currently receive an index-linked pension. I do not consider it a special advantage to contribute a higher proportion of my salary than others towards a future pension entitlement which if you, Sir, had your wish, would, when I eventually retire, have been taken away. Yours faithfully, MICHAEL SHEPHERD, 42 Sunderland Road, SE23, March 25.

Abduction of Mr Biggs

From Mr R. M. Francis

Sir, The kidnapping of Mr Biggs has many serious aspects which I hope the international political arena is aware of.

I do not condone the escape of Mr Biggs, nor his crime, nor that he has thwarted extradition attempts. It must be remembered that the "mandate" for the thieves whose crime resulted in the death of a person due to an assault during the carrying out of that crime.

However, if this country's judiciary is an executive agent the return of Mr Biggs by what has been condemned under other cir-

cumstances as a terrorist act then this country officially condones terrorism.

Should he be returned under these circumstances then this country subsidizes to a level of other countries' assassination squads. For the free world this is a retrograde step, and for this country, which has been in the forefront of "law and order", it is a degradation.

If Mr Biggs is extradited under these circumstances, then how should we react when the same situation occurs in this country? Yours faithfully, R. M. FRANCIS, 41st High Street, 41st Wilbraham, Cambridge.

Choosing a Prime Minister

From Mr D. R. Thorpe

Sir, In his article (March 21) on Lord Butler's failure to secure the premiership in 1963, Patrick Cosgrave asserts that nobody "other than Macmillan and Home" participated in the selection of Butler. This has been seriously disputed the version of events given by the late Lord Maclean and the late Lord Butler.

"Macmillan engaged in a conspiracy to prevent Butler from succeeding him". When I was researching my book, *The Unrecorded Prime Ministers* (1980), on the careers of Sir Alec Douglas-Home and Lord Curzon as well as Lord Butler, I interviewed the majority of those involved in the events of October, 1963, and had access to many unpublished records, to which I refer in my book. It is simply not true to say that there was a "conspiracy".

The Conservative Party, as in 1911 with the selection of Bonar Law as a compromise third candidate, was deeply divided over its future leadership and Patrick Cosgrave rightly refers to the way in which Lord Home was first seen as a dark-horse candidate in the course of the Blackpool conference. I have in my possession the diary for October, 1963, kept by the late Sir Knox Cunningham (at that time Harold Macmillan's Parliamentary Private Secretary) which describes quite clearly the way in which the emergence of Lord Home conformed to this pattern and the way in which the preparation of the memorandum for the Queen, partly drafted by Sir Knox, reflected this political movement, in no way directing it.

As I write in my book, "This is not to deny that the choice of Lord Home was both controversial and unexpected, but the controversies surrounding the result should not be confused with controversies over the method of selection adopted, which had much to commend it in the special circumstances of the time". With the publication of Patrick Cosgrave's book Lord Butler and with the forthcoming official

biography by Anthony Howard, it is salutary that public attention should be directed once more to the considerable contribution made by Lord Butler to the cause of Conservativeism, but it is unfortunate that this should so often be obscured by reference to supposed constitutional irregularities.

Yours faithfully, D. R. THORPE, Brooke Hall, Chichester, Godalming, Surrey, March 21.

Diminishing returns

From Mr Elliott C. Langford

Sir, Mr Michael Leagman ("Confessions of an inflamed mitts buyer", March 23) may well be concerned about the deluge of computer-addressed advertising mail to which he is subjected, for he could find that worse is yet to come.

I seem to have found my way on to one of these mailing lists about three years ago in reasonably good shape, and the earlier offerings came neatly addressed to "E. Langford, Chairman, Terinex Ltd" followed by my home address; since then a remarkable process of deterioration has set in.

First of all the company name was omitted, so that I became "E. Langford, Chairman, Badgers Wood"; then, presumably for reasons of economy, I was transmuted on a single line to "E. Langford Chair". Finally, I have now received an offer (slightly tempting I must confess) of a credit card in the name of "E. L. Chair". Yours faithfully, ELLIOTT C. LANGFORD, Badgers Wood, West End Lane, Esher, Surrey, March 24.

Worse than the disease

From Mr Colin Haverford

There is a good Latin tag which interests Lord Bowden (letter, March 24) and seems to apply eminently well to Thatcher's unimpressive *medendo* (Virgil, *Aeneid*, XII, 46). It is the nearest equivalent incidentally to owing out the baby with the water—which I am surprised to find in the *Oxford Dictionary of Latin Proverbs* is traced not back then to Bernard Shaw? rs, etc.

IN HAYCRAFT, 14 Duckworth and party Ltd, Old Piano Factory, Leicester Crescent, NW1.

Ident Zia's record

The Secretary of the Anti-Slavery Society, Trevor Fishlock's article on Jadesh and President Zia

ur-Rahman (March 19) was encouragingly optimistic and painted a favourable picture of President Zia as a young, dynamic "man in a hurry". May I add one or two darker touches to the chiaroscuro of this flattering portrait?

The Government of General Zia is at present waging war on the tribal peoples in the Chitragong hill tracts, driving out or killing the original inhabitants, mostly Buddhists or Christians, and replacing them with Muslim Bengalis. The idea is to develop the forest areas by turning them over to agriculture and the growing of cash crops and at the same time to relieve the stricken areas of population in the settled areas.

No one can object to properly thought out plans for development, but genocide is a different matter. The Chitragong hill tracts had enjoyed special protected status since the Chitragong hill tracts regulation no 1, of 1900, which remained effective after independence in 1946 until it was abrogated

in 1964. In fact some of the provisions of the original regulation, mainly those relating to tax collection and local government, are still operative.

This society now possesses ample evidence of the violent methods employed by the Bangladesh forces to impose the Government's will on the tribal peoples whose habitat, way of life and indeed that life itself are threatened with destruction.

Lamentably this is not a unique example: similar situations obtain in the Philippines, Brazil, Paraguay and other parts of the world where indigenous peoples are being destroyed in the name of progress. Strong men in a hurry tend to take decisions and inspire action which can produce irreversibly destructive results. Yours faithfully, PETER DAVIES, The Anti-Slavery Society, 180 Brixton Road, SW9, March 19.

THE TIMES

BUSINESS NEWS

مكتبة الأصل

LAING
make ideas take shape

LEGGE
5-LEVER
SECURITY
LOCKS
Get some real protection from LEGGE

Stock markets
FT Ind 518.9, up 11.5
FT Gilt 70.18, up 0.27

Sterling
\$2.2505, down 125 cents
Index 100.9, up 0.3

Dollar
Index 99.7, up 0.2
DM2.1110, up 255 pts

Gold
\$539.50, up \$11

Money
3-mth Sterling 131-124
3-mth Euro\$ 144-15
6-mth Euro\$ 144-154

IN BRIEF

Saudis want larger voting power at IMF

Saudi Arabia has agreed to lead about \$4,000m (about £1,800m) a year to the International Monetary Fund for the next two and possibly three years. But the Saudis are asking for more voting power.

The external debt burdens of developing nations is resulting in an unprecedented level of demands for IMF loans. M. Jacques de Larosiere, the fund's managing director, estimates that the fund will have to raise between \$6,000m and \$7,000m special drawing rights (£3,270m-£3,815m) this year and in 1982 to meet these demands.

The Saudis will probably be paid a market-related rate of interest on their loans. There is broad agreement among the main IMF members that the Saudis should have a greater vote.

At the moment the United States has the largest share with just over 20 per cent while Britain is second with around seven per cent. The Saudis have 1.69 per cent. The loan and voting issue will be discussed today.

BNOC Bill delayed until next session

The Petroleum and Continental Shelf Bill, through which the Government intended to inject private capital into the British National Oil Corporation, is to be reintroduced in its present form in the next session of Parliament.

Mr Francis Pym, Leader of the House, told the Commons that pressures on the legislative timetable made it unlikely that further progress would be made on the Bill this session, although the Government remained committed to it.

THF court move

Trusthouse Forte's summons to call special meetings of Savoy Hotel group shareholders is being lodged today. Trusthouse is bidding £58m for the group, and has to make a court application if it wants its offer put to the vote. The Savoy group intends to oppose the application. *Business Diary, page 21*

US warning on tin pact

The United States has given a warning that it might not join the sixth international tin agreement as United Nations talks broke up without agreement.

Dunlop palm oil stake

Dunlop is to take 40 per cent of a joint company in a £20m palm oil project in the Philippines. The National Development Company of the Philippines will hold 59 per cent and local interests the rest.

BL-Peugeot venture

BL's Australian subsidiary is to assemble and market the French Peugeot 505 saloon after the closure later this year of Renault's Australian plant which assembles the model.

Century-Fox deal off

Twentieth Century-Fox said that Mr Marvin Davis had withdrawn his offer, estimated at \$800m, to merge Fox into a company controlled by his family.

Unions agree to 5,500 further job cuts as part of BSC 'survival plan'

By Peter Hill
Industrial Editor

Agreement has been reached between the British Steel Corporation and unions to lose almost 5,500 jobs over the next six months as part of the corporation's "survival plan".

This means that the BSC, which will record losses of £600m in the financial year which ends next week, has now secured agreements covering almost all the 22,000 jobs which Mr Ian MacGregor insisted were a necessary part of the corporate plan which he introduced soon after his appointment as chairman last year.

Steel unions yesterday agreed to big changes in working practices and to job cuts of 1,500 men at the Velindre tinplate works, South Wales, and a further 3,800 at Teesside.

The plans for labour shedding at Velindre had been opposed by the workers, and negotiations for the Teesside cutbacks have proved to be the most difficult of the series of negotiations which have taken place since the survival plan— involving a six-month wage freeze, plant closures, and cuts in stockmaking capacity—was unveiled.

Under the terms of the agreement signed with 11 unions on Teesside, the overall workforce will be run down in a phased programme to the end of September. By then, the BSC expects to have reached a new minimum level of 13,500.

The Teesside package, involving plant closures, shift reductions and changes in working practices, is seen by the BSC as a significant achievement in its attempts to convince its labour force of the need for change throughout the corporation, as further large scale closures are to be avoided and the target of breaking even by the end of the 1982-83 financial year is to be realized.

In return for agreement on job shedding, workers are being offered enhanced bonus payments which will be tied to productivity improvements.

Productivity levels have already begun to improve, and the corporation is aiming to cut the rate of about 13 man-hours per tonne to about 8.5 man-hours by the end of this year, which will put it broadly in line with its main European competitors.

Workers who leave Teesside before the beginning of October will receive an ex-

gratia payment of 23 weeks' pay, boosted still further by the BSC's enhanced redundancy payments scheme.

Overall average levels of severance are likely to be between £7,000 and £8,000, but a worker aged 60 with more than 20 years service in the steel industry could receive up to £18,000.

Major successes of the slimming programme have been recorded by the BSC at Llanwern and Port Talbot in south Wales, where productivity has risen sharply.

Agreement on the cutbacks at Velindre comes after an unsuccessful action in the High Court by the workforce who had sought to prove that the corporation plan was illegal under the 1975 Iron and Steel Act.

As part of the corporate plan, the BSC is poised to recast British Steel Service Centres, its stockholding operations, as a Companies Act company within the next few days.

The move will be welcomed by other companies in the steel stockholding industry which have become increasingly critical of the aggressive pricing policies by the BSC in matching the price of imported steel.

Ministers tackle code for EEC steel

From Peter Norman
Brussels, March 26

Community industry ministers were tonight trying to work out a common set of rules to ensure that the European steel industry can return to international competitiveness in the second half of the 1980s.

They aim to establish which state aids to the steel industry should be maintained and which should disappear, how to work out and enforce a code and the timetable over which of them should be phased out.

Their specific task, in the words of one British official, was to "put flesh" on an agreement reached on March 3 to stop public aid schemes for the steel industry after the middle of 1983.

The European Commission was also advocating today that it should be given greater powers to police prices to ensure that EEC steel makers no longer indulge in the sort of competition that has resulted in the European price level falling below that charged by the Japanese in their home market.

While the March 3 agreement might have appeared to be an easily comprehensible declaration of intent, serious difficulties have arisen in determining its scope. These are likely to mean a long meeting into the early hours of tomorrow morning, and further gatherings of the industry ministers.

According to Mr Norman Tebbit, the British minister at the talks, West Germany,

France, and Britain more or less agreed that public aids to the steel industry should be accepted only as a transitional measure, and provided that they contributed directly to the industry's restructuring. But the Italians were apparently finding this difficult to accept.

Another thorny problem is the exact definition of the proposal that public aid schemes should not be introduced after July 1, 1983.

A further difficulty is the uncertainty as to whether the European steel makers, that are represented in the "Eurofer" club, can reach a voluntary agreement on limiting their production and deliveries within the Community before the target date of April 1, to help bring about the rise in prices that the industry needs.

This morning, before the ministers began their meeting, a delegation of British steel union leaders met Viscount Etienne Davignon, Commissioner for industry and Mr Ivor Richard, Commissioner for Social Affairs.

The delegation, which included Mr William (Bill) Sims, of the Iron and Steel Trades Confederation, Mr Gavin Laird of the Amalgamated Engineering Union, and Mr Hector Smith, of the Blastfurnacemen's Union, agreed with the commission that higher prices were necessary to keep the industry afloat.

Textile curb decision for Cabinet

By John Huxley

A Cabinet decision on whether Britain should take action to curb the import of American textiles is expected to be taken within the next few weeks.

Already there are strong fears within the textile industry that the Government will decide against unilateral action for fear of provoking economic retaliation and causing political bad feeling with Washington.

Yesterday Mr Leonard Regan, president of the British Textiles Confederation, denied suggestions that the American threat had receded. He told a conference in Harrogate that the volume of American imports in 1980 was 20 per cent up on the "acceptable level" reached in 1979.

Mr Cecil Parkinson, Minister for Trade, claimed that progress had already been made in talks in Brussels and Washington.

However, he admitted that Community-wide action under the terms of the GATT and the Multi-Fibre Arrangement, with which international trade in textiles is regulated, was now unlikely.

Unilateral action by Britain was now being considered, although Mr Parkinson gave a warning that such action might lead to a retaliation probably directed against exports of woollen goods.

Car sales setback builds up pressure for imports cut

By Chris Webb

The British motor industry yesterday prepared the way for renewed pressure on the Japanese to curb car imports by forecasting a further decline in the United Kingdom car market as a result of the Budget.

Mr Anthony Fraser, director of the Society of Motor Manufacturers and Traders, said the sharp increase in the cost of petrol would cost another 30,000 car sales this year, reducing the industry's forecast from 1.41 million to 1.38 million.

Compared with 1980's new car registrations of 1.51 million, this would point to a drop of 130,000 cars for 1981. "It must

put back all hopes of recovery by six months and inevitably lead to more job losses in the industry", he said.

This latest prediction reinforces the British case for further restraint on new week's talks in Tokyo between the SMMT and the Japanese Automobile Manufacturers Association.

The Japanese share of a much-reduced 1980 market was 11.9 per cent and is running at more than 12 per cent.

An SMMT spokesman said: "Our understanding is that the Japanese will adjust their sales this year to ensure that their combined market share for the two years (1980 and 1981) will return to the underlying level of previous years."

Former top economic adviser finds Thatcher strategy sadly wanting

The two cheerless years of monetarism

Two years without cheers. That is the sober and devastating summary of the Government's economic record to date from Sir Alec Cairncross, one of the most highly respected economic advisers to administrations in the post-war period.

Sir Alec, who was head of the Government economic service between 1964-69 and has since become Master of St Peter's College, Oxford, analyses the Government's economic performance since taking office in an article in *Three Banks Review*. He finds it sadly wanting.

In doing so, he adds his name to a distinguished list of top former economic advisers to the Government who have expressed grave doubts about the way the economy is going.

Sir Alec's demolition of the Government's economic strategy is all the more devastating for the moderation with which it is expressed.

Yet the moderate language does not hide a belief that the policies have been fundamentally wrong. Sir Alec lists three areas where the Government has made mistakes by "what they have left undone".

They have kept a tight money policy longer after it was appropriate; they have a restrictive fiscal stance well into a continuing depression; and they have allowed

sterling to rise well above its acceptable level. On top of this, they have failed to plan for a sustainable recovery without inflation.

The critique goes right to the heart of the theory behind the Government's policy. He starts by asking if they are right to concentrate on control of the money supply. He answers that "there are several good reasons for thinking otherwise".

His rejection of crude monetarism is quite straightforward. "We cannot assume that if the money supply ceases to grow, or if it grows more slowly, that it will be reflected in a disappearance of price inflation."

Not merely does Sir Alec question whether controlling the money supply would stop inflation, he doubts whether it is even possible. "There is no way, under present arrangements, of exercising direct control over the money stock," he says. Other, indirect means might lead to a sacrifice in the real economy which are not acceptable. "Monetary policy taken by itself is a highly unsatisfactory method of keeping an industrial economy in balance."

But the disagreements are not simply theoretical. There is a rejection of the whole of the Government's approach to the day-to-day running of the economy.

£27m loss and jobs blow to Lucas

By Andrew Goodrick-Clarke
Financial Editor

Another 4,500 jobs in the British plants of Lucas Industries, a major supplier of electrical components for the automotive industry, are likely to go in the next few months.

Lucas disclosed this yesterday when it published first half figures for the 1980/81 financial year showing that it lost £27.5m, compared with a profit of £12.3m in the same period last year.

This loss was struck after paying out £7.2m in redundancy and closure costs in the six months to the end of January. During that period the workforce in Britain was reduced by 4,400.

The experience of Lucas is thus similar to that of Guest, Keen and Nettlefolds which last week published losses during 1980 and substantial reductions in the

British workforce caused by the recession. Throughout the Lucas group, the automotive components business in Britain struggled in the face of falling demand caused by low production in Britain's automotive plants and wide despatching by motor manufacturers and replacement part suppliers.

Vehicle equipment sales by Lucas in this country fell by 19 per cent in value terms, and by 29 per cent in volume. However, Lucas says that despatching appears to be at an end, and expects a seasonal rise in new car sales during the spring and summer.

It is this, coupled with excellent demand for its aerospace equipment—sales in this area increased by 60 per cent—which is behind the company's decision to maintain the dividend at 3.7p a share gross. On this the share price gained 9p to 177p yesterday.

Most other leading engineers, including GKN and Tube Investments, have cut their payments, and Lucas may still do so, though it has never cut the dividend before.

That decision will be taken later this year against the "background of trading and profit performance".

Lucas says that its decision to further reduce the workforce is "inescapable" if it is to bring costs and manning levels into line with those of its international competitors.

The group estimates that the cost of closures and redundancies in the second half of this year will be £12m, though this includes the closure of a brake factory at Bromborough which had been announced last year.

Financial Editor, page 21

Bank's computer security hit by strike

By Donald MacIntyre
and Margaret Paganio

One of Barclays Bank's two computer centres was left without normal security cover last night as staff walked out in protest at a 10 per cent "final" offer.

The Banking Insurance and Finance Union called on its security staff members at the centre in protest at management personnel who despite pickets were carrying out duties normally performed by clerical employees and messengers.

The union had earlier agreed with management that the 12 security employees at the Wytheshave centre in Cheshire would not be asked to join the strike and would continue to provide safety cover.

The union said the Wytheshave staff, called on the security staff, four of whom are normally on duty in the building at any one time after discovering that management personnel were carrying out the duties of union members.

Mr David Dines, Bifu's assistant secretary for Barclays, claimed last night that the building was "unsafe" as a result of the withdrawal of security men. Officials said that management personnel inside the building were not trained to deal with fire emergencies.

The Bank denied that last night saying that there were arrangements to deal with any emergencies.

Bifu said that about 150 of its members at Wytheshave and 90 members at Gloucester, their full complement at the two centres, would not be reporting for work.

Mr Jack Britz, general secretary of the Clearing Bank Union, said he believed that some computer operator members had decided to join Bifu to present a face of unity to the bank employers. CBO engineers, however, would be working.

Barclays said that they believed that about a third of the staff for the first shift—of about 24 employees—had turned up at 4 pm and were managing to process most of the work. If similar numbers crossed the picket lines for the next three shifts Barclays said internal disruption would be caused.

Berisford holds talks with OFT over form of sugar undertakings

By Michael Prest

S. & W. Berisford, the commanding traders whose bid for the British Sugar Corporation was given a qualified go-ahead by the Monopolies Commission on Wednesday, took the first step towards making another offer yesterday. It held talks with the Office of Fair Trading on the wording of the required undertakings.

But it is also understood that there could be disagreement between the Government, which holds 24 per cent of the sugar corporation, and Berisford, which has 10 per cent, about the price at which the government will sell.

The Government is believed to have mentioned a price of 335p a share. But a senior Berisford executive said last night that this was too high, adding that at 335p Berisford might sell its own shares in the corporation.

Berisford is unlikely to proceed with a new offer if it cannot reach agreement with the Ministry of Agriculture on buying the government holdings. The Government is also under pressure to keep its cordial as possible.

Wide range of bids likely for index-linked gilts

A wide range of bids is expected this morning for the government's £1,000m offering of Treasury 2 1/2 per cent index-linked stock. But the general feeling among brokers last night seemed to be that the stock would be allotted between 105 and 110. At 107 the stock yields 13 per cent.

Some institutions are thought to have bid higher than this, while others have confined their bids to prices substantially below par.

Some take the view that the real return offered at par is unacceptable to a pension fund, others that they will be able to buy subsequent issues more cheaply.

Yesterday's offer of £50m of 2 1/2 per cent 25 year stock by the City of Leeds was oversubscribed. Applications up to £25,000 were allotted in full. Applications above £25,000 were allotted 39.6 per cent of the nominal amount applied for.

Yesterday gilts and equities raced ahead on the stock market inspired by the Chancellor's optimistic statements on the economy and Wednesday's strong rally on Wall Street. The FT index jumped 11.5 to 5189, its highest level since May 23, 1979 when it reached 5224. The record is 558.6, reached during the pre-election bull market.

The cue for the broad advance in most sectors came from Wednesday's eight-year high recorded by the Dow Jones Index on Wall Street which was up 19.09 at 1015.22, largely on the back of the excitement generated by the recent spat of big takeover bids. But when Wall Street opened yesterday prices started to slide with the Dow Jones average closing 9.46 pts down at 1005.76.

Financial Editor, page 21

Petrol up 100% in 3 years

By Our Industrial Editor

Mobil yesterday announced that it was lifting the price of all its grades of petrol, adding 2p a gallon on garage forecourts. The effect of the latest round of increases—Esso announced a similar rise earlier this week and the other oil companies are expected to follow suit—means that the typical price for a gallon of four star petrol will have more than doubled in the last three years.

Government figures published yesterday showed that in April 1978, a gallon of four star, was being sold at 75p. By January of this year, the price had risen to 132p a gallon.

The 20p per gallon additional duty imposed in the Budget earlier this month combined with the latest 2p rise will drive the price of four star petrol to around 155p a gallon.

Competition for sales is likely to mean that retailers will attempt to hold down the price to 150p a gallon or less, but the oil companies stress that the increases are vital in order to cut their refinery and marketing losses.

Mobil emphasized last night that the latest increase would be only part of the way to recovering the heavy losses which had been incurred.

Engineers referendum 'may be necessary'



Dr Perry Alloway (left) and Mr Bryan Hildrew, the new CEI chairman at yesterday's meeting.

By Derek Harris

A warning that the Council of Engineering Institutions cannot lightly or quickly cede powers to the Government's proposed Engineering Council came yesterday from Dr Perry Alloway, the CEI's retiring chairman.

He was speaking at CEI's annual meeting shortly before the appointment of the new chairman for the year. Mr Bryan Hildrew, who is managing director of Lloyd's Register of Shipping and president of the Institution of Mechanical Engineers.

The proposed engineering council could take over some or all of CEI's existing functions only if CEI was prepared to cede powers conferred on it by Royal Charter, Dr Alloway said. That would depend on a vote in favour of such a move by at least two-thirds of individual members at a special general meeting.

Dr Alloway added: "CEI will not be seeking that agreement until the new body is fully prepared to take over the functions in an orderly way and that is bound to take time."

Before taking irrevocable steps it might be desirable to hold a referendum of all professional engineers registered with CEI.

So far the only poll conducted had been among members of the Institution of Electrical Engineers. This strongly favoured a new body with statutory backing.

A meeting earlier this week between Sir Keith Joseph, Secretary of State for Industry, and the profession's leaders, had clarified issues, though producing no solution for the structure of the new council.

It was more important to get a good solution than to get a quick one, Dr Alloway stressed.

The real difficulty in the negotiations over the new council was in trying to set up a single body to do two dissimilar jobs—on one hand to regulate the engineering profession and on the other to act as an engine of change in shifting national attitudes and priorities in favour of engineering.

Later, Sir Alec Smith, formerly chief scientist in charge of advanced research at Rolls-Royce and now director of Manchester Polytechnic, condemned the Flimstone report on engineering as "one of the great missed opportunities of this century".

The report should have been more imaginative in urging educational changes to foster the growth of an engineering culture in Britain.

Business letters, page 20

PRICE CHANGES

Rises

Berkley Exp 13p to 303p
Berkley B'bro 15p to 285p
Berkley B'bro 15p to 285p
Nine Circle 12p to 420p
Bower 16p to 240p

Falls

Rassett G. 2p to 57p
Grosvet 1p to 38p
Kilross 15p to 670p
ML Holdings 5p to 320p
Ricardo Eng 12p to 478p

THE POUND

	Bank buys	Bank sells		Bank buys	Bank sells
Australia \$	2.00	1.92	Netherlands Gld	5.40	5.14
Austria Sch	35.10	32.90	Norway Kr	12.65	12.00
Belgium Fr	82.25	78.25	Portugal Esc	129.00	123.00
Canada \$	2.73	2.64	South Africa Rd	2.02	1.88
Denmark Kr	15.50	14.70	Spain Pta	196.00	187.00
Finland Mk	9.57	9.07	Sweden Kr	10.79	10.24
France Fr	11.50	11.00	Switzerland Fr	4.47	4.24
Germany DM	4.90	4.66	USA \$	2.21	2.24
Greece Dr	117.00	111.80	Yugoslavia Dnr	82.50	77.00
Hong Kong \$	122.20	117.70			
Ireland P	1.34	1.28			
Italy Lit	2430.00	2320.00			
Japan Yu	499.00	474.00			

For all denominations bank notes only, as supplied yesterday by the Bank of England. Rates apply to travellers' cheques and other foreign currency business.



Eastern block 'more dynamic'

Economic activity in the Soviet Union and Eastern Europe was "more dynamic" in 1980 than the previous year, but growth still largely failed to meet national targets, the United Nations Economic Commission for Europe said in Geneva.

Only in the Soviet Union, Bulgaria and East Germany were developments "largely in line with policy orientations".

The United Nations agency, basing its report on figures supplied by the eastern block countries, said the region's total output of goods rose about 3 per cent. Growth was 1.1 per cent in the Soviet Union was excluded.

Industrial output "accelerated slightly" in the Soviet Union, Hungary and Poland both reported declines in economic growth. There was a strong recovery in agricultural output in Czechoslovakia.

Total trade of the Eastern block rose about 12 per cent in value terms. In trade with Western nations, the Socialist states had a small surplus in the first nine months of last year.

Hunt suit filed

The Hunt Energy Company has filed a federal court suit in Dallas aimed at limiting an investigation into silver futures trading by the multi-millionaire Hunt family, including Mr. Nelson Bunker Hunt and Mr. W. Herbert Hunt. The suit accused the Securities and Exchange Commission of exceeding the limits of its jurisdiction in an investigation which began last year after the silver price collapsed.

Turkey-OECD talks

The OECD and Turkey held talks in Paris on Turkey's stabilization plan and its medium-term economic prospects, but did not discuss new loan pledges. Officials said the OECD would now hold bilateral talks with its member states to obtain agreement on individual loan pledges for Turkey for 1981.

India seeks credit

India is negotiating new credits on the European lending market this year to buy aircraft and ships and to build a large steel plant. Official sources in New Delhi declined to say how much India would seek but forewarned no problems because of its good credit rating, substantial gold holdings and reserves with the International Monetary Fund.

Nuclear go-ahead

The Japanese Government has authorized the building of three nuclear power stations to reduce the country's reliance on oil. These are the first nuclear power stations approved in Japan since the Three Mile Island accident in the United States two years ago. Eight new coal-fired power stations were also approved.

Tokyo sales drive

Britain's Hawker Siddeley Group has launched a sales drive in Tokyo in an effort to balance its trade account with Japan. Mr. Douglas Deitmer, president of its Japanese subsidiary, said the group sold \$10m (£4.5m) worth of goods to Japan annually but bought about double that figure in Japanese goods, mainly components.

Rail loan extended

Mr. Julius Nyerere, the Tanzanian president, has secured Chinese agreement to a 10-year delay in the start of repayments on an interest-free \$680m (£302m) loan from Peking to build the Tanzania-Zambia railway. Repayments over 30 years were due to begin in January 1983.

British Aluminium to resist £30m action over power bill

Court move on electricity dispute

After years of wrangling, the dispute between British Aluminium and the North of Scotland Hydro-Electric Board involving nearly £30m looks as if it could be resolved by the Scottish courts. The electricity authority has lodged a detailed summons with British Aluminium, which the company's legal advisers are examining.

On receiving the summons yesterday British Aluminium declared: "The claim by the hydro-electric board is not accepted and will be strongly resisted."

The aluminium company has refused to accept liability for payment of the bill which has increased yearly since 1976, but since then it has prudently made provision in its accounts which by the end of last year had risen to £29.91m.

The origins of the dispute go back more than 10 years. The company then agreed with the help of a government loan to pay part of the cost of the Hunterston "B" nuclear power station. In return British Aluminium negotiated a special contract to receive power for its aluminium smelter at Invergordon, Ross and Cromarty, and the deal was one of a number concluded in the 1960s as the aluminium industry was encouraged to expand.

Behind the deal was the then widely accepted belief that the new generation of nuclear power stations would provide electricity at a lower cost than generating in the United Kingdom, especially attractive.

Under the terms of that contract with the board up to the year 2000—apart from the contribution to Hunterston "B"—British Aluminium pays an annual charge calculated on the basis of efficient operation of the power station, but subject to rising fuel and operating costs.

The theory and the economics appeared at the time to be sound. But the Hunterston "B" project has been dogged by failures, delays and continuing problems. Completion was not only delayed but planned load factors were not achieved.

Output has been limited to reduce the risk of corrosion, and sea water which entered the cooling system forced the shutdown of one of the two reactors from the autumn of 1977 to early last year.

As the costs have mounted they have been borne by the Government, but the differences over the detailed interpretation of the contract are at the heart of the dispute on which the courts will be asked to rule.

British Aluminium stressed that the

contract with the electricity authority was not a fixed price contract, and it had previously expressed its serious concern as the rate of escalation since the contract was first negotiated in 1963.

But the dispute over certain revenue charges and related matters has been complicated still further. Although the board is contracted to supply the electricity to the Invergordon smelter, the Hunterston "B" station operates under the aegis of the South of Scotland Electricity Board.

A year ago British Aluminium said that even if all the disputed items were settled to its favour, the annual charges would have increased by a greater proportion than the electricity board's industrial tariff over the period. This meant that the original expectation that the costs of nuclear power generation would be stable in real terms would not have been realized.

At that time the company said that if the courts were to find in its favour, the net effect as of the end of 1979 would be an increase in pre-tax profits of £10.7m.

In a statement yesterday British Aluminium welcomed the issuing of the summons as representing "a positive step towards the resolution of the matter".

Peter Hill

Sharp rise in laser scanning at supermarket checkouts forecast

By Derek Harris
Commercial Editor

Laser scanning of goods at supermarket checkouts as part of retailers' computerization plans should be an economic proposition by early next year.

This claim yesterday was made by Mr. Donald Harris, chairman of the Article Number Association and a director of Tesco Stores, who forecast that the present staff-driven system should grow to 20 within a year and at least 40 by the end of next year.

The system, which uses a low-power laser to "read" identification codes printed by manufacturers as a series of bars on packages, depends upon a sufficient volume of articles bearing the codes.

About 2,000 items are so far coded which, because they are mostly fast-moving lines, account for about 50 per cent of retail volume sales. For scanning to be economic to run—a store installation can cost up to £250,000—70 per cent of volume sales needs to be bar-coded. This point is expected to be reached early next year.

But some of the 600 delegates at yesterday's London conference of the Article Number Association—the coordinating body for bar-coding and scanning—were sceptical of how



Mr. Donald Harris: Economic proposition within a year.

quickly all the large multiples would move into full-scale scanning.

So far, only Key Markets and Tesco are using bar-coding scanning systems, with Key Markets planning to add nine scanning stores this year to its present three and Tesco committed to 15 such installations by the first quarter of next year.

J. Sainsbury, Asda (part of Associated Dairies group) and BAT's International Stores are each operating single trial installations.

So far in Europe the systems, which offer retailers a number of advantages, particularly in tighter stock control, have made most progress in West Germany, where 23 stores are equipped. Sweden has seven while Italy is on a par with the United Kingdom with six. Japan has seven installations.

One problem still not fully solved is the manufacturers' reluctance to share the benefits derived from bar-coding, the cost of which is largely falling on the manufacturers, mainly to the advantage of the retailers.

Manufacturers want to share sales data from the system and a step forward has been agreed in principle on this. But costs to the manufacturers are still an outstanding issue.

A further extension of bar-coding envisaged is to goods weighing and supplied in cans such as fresh foods, that account for 20 per cent of supermarket sales.

Books are to be coded by the end of this year and periodicals are likely to be included next year. A study is to be made this year to code records.

Industry hopes on rail spending

By Bill Johnstone

General Electric Company (GEC) and the ailing British Steel could be two of the principal beneficiaries if the British Rail £5,700m modernization programme is given approval by the Government.

Although British Rail stresses that no contractual decisions have been made, it concedes that the programme would benefit hundreds of British companies.

Principal suppliers to British Rail include Brush Electrical Machines, part of the Hawker Siddeley Group, based in Loughborough, diesel locomotives, GEC Traction, Manchester, electric motors, Sulzer Brothers, Farnborough, and Davey Paxman, Colchester, diesel engines. GEC's General Signal, Boreham, Hertfordshire, and Westinghouse Brake and Signal, Chippendale, signalling equipment; British Steel, track; Costain, and Dow-Mac, sleepers; Balfour Beatty Power Construction, Liverpool electrification engineering.

British Steel as the principal supplier of track, could benefit substantially. About 21 per cent of the 11,000 route miles of British Rail track is electrified and modernization would increase this to nearly 40 per cent.

Sir Peter Parker, chairman of British Rail speaking at the annual dinner of the Prudential Assurance Company in London last night said that investment anywhere in Britain's economy, provided it was profitable, would bring benefits twice over. The investor would become more prosperous and able to offer better services to its customers, the plant and equipment needed would provide much-needed orders for British manufacturers.

LETTERS TO THE EDITOR

Last chance for the engineers?

From Mr. John Kapp

Sir, Business News reported on March 25 that the meeting of the leaders of the engineering profession failed to resolve the stalemate with Sir Keith Joseph. As Derek Harris said on March 20, Sir Keith could now form a new registering body (chartered or statutory) which would be a rival to the Council of Engineering Institutions (CEI).

Knowing that it will not be allowed to register the favoured title "chartered engineer" (alternatively, he could scrap the government initiative entirely). However, something between these two extremes would be more constructive.

Sir Keith would be unwise to wage war with the profession, even if he is being egged on by the EEF, CBI, ITC, Conference of Engineering Professors, John Lord and the like. Their objections are hollow, since they are not going

to pay for the new body and will be nowhere to be seen when the battle commences. Rather, he should head the ranks of those who are alone expected to make this new body self-financing through their registration fees. They simply do not want a new rival registration system. They cannot be forced to pay for one, so the proposed new body is doomed for lack of funds.

The CEI (1977) is the creature of war and all of chartered engineers, and they believe it to be better than Sir Keith's devil. What it lacks is resolve and finance. Sir Keith could give it both. He should appoint the two best men in the CEI board, giving them instructions and a programme on the action he wishes to see, under threat of legislation if his deadlines are not met. Guaranteeing CEI's borrowing would remove

its importance by breaking its institutions' financial stranglehold.

CEI's instructions for next year might be: setting agreement to higher entry qualification (honours degree) as proper accreditation procedure for those desiring a public-use code of practice on the use of CEI in manufacturing industry, as guide for employers; establishing stronger communication links (for example, a newsletter with members, and becoming a stronger voice in engineering; soliciting adequate finance for these activities from "reasonable" registration fees. Is this not the best way forward?

JOHN G. KAPP
55 Hove Park Road,
Hove,
Sussex BN3 6LL.
March 25.

Tunnel schemes under the Channel

From Mr. John Miller

Sir, Further to Mr. Winston's letter (March 16) and Mr. Gregory's letter (March 24) there are several much wider issues involved in the Channel link which do not seem generally to be appreciated when the question of a fixed cross Channel link is discussed.

Britain suffers economically by not being linked to the continental rail system. Operations between Britain and the Continent are forced to send their goods by road and ferry because of the high cost of transfer which rail and ferry would involve. The argument that a road link would be "expected" to generate more traffic overlooks the fact that at present operators have little choice. A rail alternative is not available, and thus the road is used.

Britain is a relatively small country and few goods movements are at present suited to rail, which requires long hauls

to compete economically with road. It is evident from continental Europe that much demand comes from international trade, something of which our railways are unable to take advantage at present.

It is widely recognized that it is no longer desirable to build roads simply on the basis of proven demand. The implications of a road tunnel on the British road system are fairly clear.

The question arises as to where the newly generated traffic would go once it reached the British coast for the French coast (for that matter).

British railways have suffered for many years from the requirement that, justification must be "proven", while that for roads is "evident".

Of course, a road tunnel would generate traffic—a road generally does. However, the desirability of this, weighed against the increased disadvantages which would be suffered by our already clogged railways, is open to question.

JOHN MILLER,
Department of Civil Engineering,
Imperial College of Science,
Technology,
London SW7.

Local council services

From Mr. L. R. Bushby

Sir, At this time of the year when companies and private home owners are receiving their rate demands, many of which are greatly increased, it seems appropriate to highlight the massive savings of approximately £400,000 that Southend Corporation are hoping to achieve by contracting out all of their waste disposal services. If Southend can do it, why not other councils as well, and why stop at waste disposal?

If these savings can be made on just one service then what could be achieved if each local authority could operate as a strategic unit contracting out large parts of the corporation's services to private companies, thereby saving money, and increasing efficiency. If other corporations followed Southend's lead local government employees could be deployed into the private sector with higher earnings and fewer restrictive practices.

Indeed, if this action of privatization proved to be as cost effective as it is estimated, the savings could be channelled into various other services, such as more old people's homes, more pre-school nurseries for children, and the like, which in turn would lead to the creation of more jobs.

The other great advantage of this exercise would be that the independent business sector would have the chance to tender for and win the contracts, thereby giving it the boost that it so badly needs in the wake of the recession.

It has been reported that 30 other authorities are contemplating following Southend's lead. Will they act or prevaricate?

Yours faithfully,
L. R. BUSHBY,
Association of Independent Businesses,
Trowley House,
108 Weston Street,
London SE1 3QB.

False savings

From Professor E. P. Wohlfarth

Sir, The advanced passenger train has tilting troubles: it will never run at more than 125 mph. The EL Metro steering problems. If this (erment carries out its trials to the universities and if it is to be at the expense of science and technology, similar economic disasters will occur with even greater frequency. The money thus lost will be by orders of magnitude more than the savings from such actions.

Yours faithfully,
E. P. WOHLFARTH,
Professor of Theoretical Magnetism,
Imperial College of Science,
Department of Mathematics,
Queen's Gate,
London SW7 3HH.
March 24.

WEEKS PETROLEUM LIMITED

1980 Results

Audited results for the year ended 31st December 1980

	Year ended 31st December 1980	Year ended 31st December 1979	
	US\$'000	US\$'000	
REVENUE			
Oil and Gas Revenue	21,640	16,709	
Other	899	335	
	<u>22,539</u>	<u>17,044</u>	+32%
Income before income tax	15,959	10,394	
Provision for Australian income tax	4,495	3,583	
NET INCOME	<u>11,464</u>	<u>6,811</u>	+68%
Net income per ordinary share and ordinary share equivalent	\$0.22	\$0.14	
Average number of ordinary and ordinary share equivalents outstanding (in thousands)	<u>51,887</u>	<u>49,194</u>	

Notes: 1. Interest paid was US\$0.846 million (1979 - US\$1.307 million).

2. Depreciation, depreciation and amortization was US\$2.086 million (1979 - US\$2.316 million).

Dividend A dividend of 3.15 Australian cents per share (1979 - 3.15 Australian cents per share) has been paid to holders of the convertible preferred ordinary shares for 1980. The Directors do not intend to recommend a dividend on the ordinary shares (1979 - nil).

- Revenue and net income continue to grow to record levels.
- Natural gas discovery in Colombia.
- Major expansion in the U.S. by acquiring 25% of Ogle Resources Inc., a company with extensive exploration and producing properties.
- Significant increase in exploratory acreage in Australia, as part of an expanded exploration programme.

Weeks Petroleum Limited

One Sylvan Road North,
Westport, Connecticut 06880, U.S.A.

For a copy of the Annual Report, please write to
Ravensbourne Registration Services Limited, Beckenham, Kent, England

BEAUMONT PROPERTIES LIMITED

Mr. J. Hugh Jones reports on the year ended 30th September 1980

Results for the year

	1980	1979
	£	£
Profit before tax	1,456,664	1,270,975
Cost of dividends	788,820	640,078
Shareholders' funds	21,443,820	15,672,402

- Profit before tax increased by £185,000.
- "Gross" dividend payable increased by 16%.
- Group's Portfolio professionally revalued as at 30th September, 1980 at total value of £38,612,314 being an increase of 28%.
- During year purchased new properties at total cost of £971,500. Since end of financial year purchased further properties for £1,135,000 and have agreed purchases amounting to £2,100,000.
- Building work of Phase III in major development at Sale, Cheshire, almost completed. The four shop units and offices being marketed and giving rise to positive interest.

Assembly line work

New evidence on the effects of assembly line work on people's health is provided by Mr. Donald Broadbent and Mr. Dennis Garth of the psychology and psychiatry departments, Oxford University.

The authors observe that three factors have often been accused of harming workers' health: repetition; pacing of the job by machines, rather than by the workers themselves; and short cycle-times (the time taken to complete the task). These factors have usually been lumped together. The study shows that "pacing" rather than short cycle-

time is a hazard and that people can suffer stress without being dissatisfied with their work. It also concludes that the effects of such work conditions differ with the temperament of the person employed.

Overtime

Overtime working appears to have stabilized, although at a low level. In December and January an average of 8.5 million hours of overtime a week was worked by blue-collar workers in manufacturing industry (seasonally adjusted).

This was about the same as in November, but still very low when compared with the level of 15 million hours of overtime worked a week at the end of 1979.

The percentage of all blue-collar workers in manufacturing working overtime in January was only 22.8 compared to 26.3 in December.

Short-time working

Short-time working is still rising. In January 8.4 million hours a week (not seasonally adjusted) were lost through short-time working in manufacturing. This was one million more than in December, while 13.7 per cent of all blue-collar workers in manufacturing were stood off for the whole or part of a week in January.

The reduction in overtime and increase in short-time working since the end of 1979 is equal to 335,000 workers on a standard week.

Employment Gazette

Only 75 industrial stoppages last month

By Melvyn Westlake

The number of industrial stoppages reported in February remained exceptionally low at just 75, the Department of Employment disclosed in the *Employment Gazette*, published yesterday. Only once since last summer has the number of new disputes in any one month risen above 100, compared to an average of about 175 disputes a month in 1979.

However, the number of working days lost in February, because of industrial stoppages, rose again, albeit from a low level.

The provisional estimate of 453,000 working days lost last month and the revised figure of 221,000 for January are above the average of nearly 150,000 in the later months of last year, but still very much lower than the average monthly toll of 2,456,000 lost days in 1979.

Assembly line work

New evidence on the effects of assembly line work on people's health is provided by Mr. Donald Broadbent and Mr. Dennis Garth of the psychology and psychiatry departments, Oxford University.

The authors observe that three factors have often been accused of harming workers' health: repetition; pacing of the job by machines, rather than by the workers themselves; and short cycle-times (the time taken to complete the task). These factors have usually been lumped together. The study shows that "pacing" rather than short cycle-

BY THE FINANCIAL EDITOR

Sensing a change in the mood

An overnight upsurge on Wall Street rubbed off on sentiment in London yesterday. Equities pushed ahead strongly, the FT All-Share index pushing up towards last November's all-time "high".

Whether the Dow Jones Industrial Average can at last break away from the 1,000 level remains to be seen. At the moment the market is being fuelled by the thought of the money that stands to be released for reinvestment as a result of the large take-over bids outstanding. The direction of the market over the next couple of months will, however, probably be determined by the trend of short term interest rates.

In London, the hope quite clearly is that the recession is nearing bottom and that slackening monetary growth will allow M1R to come down a further point or two by late spring. If we are to have a "Lawson" recovery based on a continuing fall in the rate of inflation, all well and good for both equities and gilts. At this moment the case is speculative: institutions look likely to be hedging their bets by bidding the real return on the Treasury index linked stock down to 11-12 per cent.

Alexander Howden Little room for manoeuvre

Alexander Howden's 1980 profits are fractionally down at just over £20m placing the group's performance an axis between its rivals Sedgwick, which reported a 12.5 per cent fall, and Willis Faber, which managed a 13 per cent increase.

The temptation naturally is to think that if results like these represent life at the bottom of the insurance cycle, then major broking firms must represent the soundest recovery bets in the market.

But Howden's profits have now been on a plateau for four years and it has now run out of scope for increasing the dividend; the payment is maintained, and slightly less than twice covered by earnings this time.

Thus, brokers like Howden have no option but to keep the lid on expenses (Howden's rose by 11 per cent to £49m last year and staff numbers dropped) while stepping up the fight for new business.

Howden has done reasonably well on this front, lifting retained brokerage by almost £4m to £45m, while claiming that its independence has proved something of a blessing in the wake of transatlantic mergers and link-ups.

Howden has also seen its mainstream insurance interests hold steady in the face of severe competition, though a £3.7m drop in premium income to £35.1m suggests it has been standing aside as rate-cutting intensified.

With little prospect, then, of a significant breakout for profits this year and possibly next, the shares up 2p to 119p yesterday look sound rather than exciting on a p/e ratio of 9 and yielding 8.4 per cent.

BBA

The worst may be over

After growing fairly steadily for the last decade, BBA's profits shrank to a tenth of the previous year's level in 1980. Though closely tied to the automotive industry, which traditionally takes between two-thirds to three-quarters of sales, BBA managed in the past to offset declining domestic production by expanding overseas but in 1980 it was hit from all sides.

At home original equipment orders collapsed with BBA taking the brunt of de-basing by both car and component makers because of its place at the start of the manufacturing chain. The result was losses of £1.7m at Mintex—a turnaround from profits of about £2m—and although industrial profits were up overseas, lower profits from the German automotive components company left the overseas contribution three-fifths lower at £1.8m before tax. After deducting the United Kingdom loss, this left a pre-tax profit down from £8m to £50,000.

Expecting better results in 1981, BBA has only halved the final dividend, leaving the shares yielding 9.6 per cent at 26p—up 1p. His year's hopes are based not on higher demand but the benefits of £1.5m worth of sundries, other cost-savings and lower finance charges.

The debt/equity ratio, after rising from 35 to over 50 per cent at half-way, was trimmed back to 44 per cent by the year-end by slicing into working capital. So BBA starts on the longer recovery road with a tolerable balance sheet but showing little enthusiasm for another try at diversification. Its £6m joint investment in fibreglass with Pilkington, made three years ago, has yet to show a return.

Lucas

De-stocking has ended

Investors had been conditioned—by GKN among others—to expect a horror story from Lucas. So the market took a loss of £27.4m in the six months to the end of January, against profits of £12.3m in the same period last year, in its stride.

Lucas shares gained 9p to 177p in a strong market, though there was added comfort in a maintained interim dividend of 3.7p a share gross. That may yet prove illusory at the end of the year; Lucas promises nothing other than that it will review the final payment in the light of performance and prospects emerging from the current half year.

There is room for optimism though. De-stocking, a major reason why the group's automotive component businesses in Britain plunged into loss (sales value fell by 19 per cent and volume by 29 per cent) has apparently come to an end.



Mr Godfrey Messervy, chairman of Lucas Industries.

On the aerospace side the situation is quite different, however. Here, Lucas saw sales boom increasing by 60 per cent while profits in the United Kingdom increased "substantially" to nearly £7m.

So the question for the remainder of this year is not about profits. At best, after taking a further £12m of closure and redundancy costs above the line in the second half, the group will break even in 1980/81. What matters is the dividend. It seems just possible that Lucas, with its immensely strong balance sheet—gearing is probably no more than about 35 per cent—and if prospects are beginning to look better will still maintain an uncovered payment. That at any rate can be the only explanation for the shares at this level yielding an historic 8.9 per cent.

● For the second year running Kleinwort Benson's profits have benefited handsomely from Sharps, Pixley's bullion dealing. Post-tax profits are up by about £7m to £19m, and most of the increase is attributable to bullion. Since the larger part of these bullion profits must have been earned in the first three months of last year, business throughout the Kleinwort group cannot have shown much growth for most of 1980.

The volume of activity on the corporate finance and sterling lending sides held up, but margins remained tight. Local authority loan business was obviously buoyant, though: Kleinwort handled loans to banks and local authorities worth £731m, more than double that in 1979.

On the back of the far higher profits, then, Kleinwort has declared a final dividend of 8.57p gross, which gives a full year payout of 12.9p gross, up 50 per cent. At 284p, up 12p, the yield is 4.5 per cent. But with the prospect this year of much quieter bullion trading, and possibly less demand for local authority funding, last year may prove exceptional.

Anyone who believes that personal acrimony has no part to play in the austere world of national pay bargaining should read the confidential minutes of the meeting between British Shipbuilders and union leaders at the beginning of the month.

It is not every day that a senior union leader complains, in the middle of negotiations, that the chairman of a nationalised industry resembles "a school teacher addressing a classroom of unruly boys". Adding for good measure: "We do not like being talked down to by yourself or any other member of your staff. We thought this approach to negotiations had disappeared over 50 years ago."

Those were the words, however, in which Mr James Murray, leader of the shipbuilding union negotiating team, described the "discourtesy" of an opening statement by Mr Robert Atkinson in which the British Shipbuilders chairman declared that he had never "seen anything quite so unrealistic" as the unions' claim.

The Confederation of Shipbuilding and Engineering Unions later bluntly warned the corporation of a possible "confrontation", after listening with growing dismay to its account of financial pressures and the need to recoup a large part of the costs of any settlement through improvements in productivity.

The best that can be said of the climate in which the pay negotiations covering British Shipbuilders' 70,000 manual workers and staff were left at the end of the meeting in Newcastle is that it could only improve. Indeed, during the two tortuous and confusing days of negotiations which ended last Tuesday night some real progress was made towards a pay and productivity settlement to cover the exceptionally difficult year faced by the industry. But the settlement which had on Monday night seemed so near certainly eluded the corporation and CSEU negotiators during the sometimes heated 10-hour session the following day.

When talks resume on Monday, Mr Murray and his colleagues will certainly try to improve the 6.8 per cent basic increase which would increase minimum earnings for a skilled manual worker from £96 a week to £103.

Although the pay offer is in stark contrast to the 13 per cent offered to miners and water workers, most union negotiators privately recognize that in an industry in which the indiscriminate use of industrial muscle might only hasten the demise of a corporation expected to lose £100m, there are other, and more modest, parallels.

In taking that view, they almost certainly reflect the feelings of shipyard workers themselves, to judge from the mood of shop stewards from the Tyne and Clyde at this week's talks.

In their Tuesday offer BS has, probably consciously, used an identical figure put by British Leyland to its manual workers last year. The CSEU would prefer the 8.2 per cent increase in minimum rates it won in private sector engineering.

Such is, however, the central problem in this year's negotiations: it is the interplay between two factors which overshadow money: jobs and productivity.

British Shipbuilders, faced next year with a reduction in cash limits and limits in the losses it is allowed to make, respectively £150m and £25m, has spelled out in harsh terms the need it sees for improved output per man.

The outline by Mr Maurice Phelps, industrial relations director, of last year's settlement failed to raise productivity, makes sombre reading. Mr Phelps cited the clause in last year's agreement eliminating the "one in, all in" principle on overtime. He said that some plants had not eliminated the practice and this had cost the corporation an additional £4m to £5m.

Failure to observe procedures helped to push the number of days lost because of disputes to more than one

million last year for the first time in four years.

On changes in working practices, including, by implication, strict demarcation between trades, Mr Phelps told the unions laconically: "Major savings were planned—minimum amounts were obtained."

The corporation remains in theory committed to "total interchangeability" between trades and to practice is determined to increase the frequency with which skilled men are prepared to switch jobs across demarcation lines. Mr Alex Ferry, the CSEU's general secretary, and Mr Murray, to whose own union, the Boilermakers Society, many of the changes would apply, have, however, told BS that detailed proposals in a paper given to them for the first time on Tuesday are totally unrealistic and would in any case be less beneficial to the corporation than the management believes.

Most union leaders privately acknowledge that there is need even for productivity improvements, but have been impressing on British Shipbuilders, apparently with some success, that there is a direct link between output and the job security of shipyard workers. "How can you tell a man to work more efficiently," asked one last week, "if he thinks you are asking him to work himself out of a job?"

The CSEU argues that it has concentrated fully with the shedding of 20,000 jobs since nationalisation. A surplus of 600 men remains in the latest phase of the restructuring programme, but the unions' encouragement has helped to find 2,000 volunteers for redundancy since Christmas, on terms which, yielding an absolute maximum of £10,400, are markedly less favourable than those in coal or steel.

That is why the proposal for a six-month moratorium on job cuts in the industry seemed timely when it was floated in talks with Mr Murray and Mr Ferry on Monday night. (Some

negotiators are more sceptical, fearing that such a proposal might pave the way for a big shakeout at the end of the moratorium.) In the event, Mr Atkinson ruled that now was not the time and the pay agreement, not the place, to enter such a commitment.

In fact, the medium-term future, as the unions are acutely aware, is far from clear. Uncertainty over the off-shore work for which Scott Lithgow particularly is hoping, is matched by that over the future level of warship building as the Ministry of Defence reviews its requirements.

Against such a climate next week's negotiations, especially on productivity, are certain to be difficult, though both sides are hoping now for a settlement before the April 1 anniversary date.

The corporation will be arguing, at the least, for a mechanism that can ensure that its productivity guidelines stick. One big obstacle was apparently cleared when it indicated that it would withdraw its insistence that local productivity agreements had to be reached before the national increase would be paid.

Recognising that for shipyard workers, jobs are at present more important than money, the management paper outlining British Shipbuilders' improved offer on Tuesday adopts a markedly more conciliatory tone than that of March 2, though CSEU leaders will need persuading that the corporation means what it says.

Mr Atkinson has made it clear he wants talks with the unions about reaching some mutually acceptable formula on job security when the restructuring programme is complete.

The section of Tuesday's paper dealing with the subject ends unequivocally: "We are convinced that the only way to improve productivity and efficiency in the long term is by providing our employees with some form of job security." On that at least both sides are agreed.

Donald Macintyre

Technology

No, sir, it's not the Chattanooga Choo-Choo...

Coal-burning, steam-driven railway trains—evocative of the Golden Age for many enthusiasts and symbolic of the technology of a former era—may yet stage a comeback. A project is under way in the United States to develop and build prototype locomotives which will burn coal efficiently, cleanly and economically.

Kenneth Owen

and ensure that the railway system was not vulnerable to crises in foreign oil supply.

The company has produced a design for a steam locomotive, known as the ACE 3000, which will burn coal cleanly by using a two-stage combustion technique.

In the first stage the coal is gasified and in the second it is completely burnt, reducing nitrogen oxides and virtually eliminating the release of particulates and smoke into the atmosphere. Sulphur dioxide is controlled by using low-sulphur coal.

The locomotive consists of two parts—a power unit containing the combustion and gasification systems and a separate unit which houses 33 tons of coal (in three standard packs) and a water-recycling system. The coal will be loaded into the packs at the mine and moved on flat cars to rail sidings where the packs will be put on to the locomotive by a small crane.

Ash from the furnace will be collected in a removable ash-pack which can be replaced

when the locomotive is serviced with fresh coal packs.

The locomotive is expected to have a range of about 500 miles between fuel stops and 1,000 miles between water stops. Steam which would otherwise escape into the atmosphere will be recovered for driving auxiliary pumps and fans. It will then be condensed back into water, cooled in the support unit and recycled. The water tank holds about 10,000 gallons.

An important innovation in the ACE 3000 design is micro-computer control. Responding to the throttle commands of the locomotive engineer, this control system monitors, regulates and displays furnace and steam conditions. A single system can control several coupled locomotives if required.

Another advance is the use of a balanced reciprocating drive, using opposed pairs of cylinders. This should ensure a smooth interaction between the vehicle and the rail and reduced track maintenance. Tested technology is used in the critical areas of boiler and running gear design.

American Coal Enterprises is a research and development company which is dedicated to coal-based systems and the ACE 3000 will be the first of a planned family of locomotives.

The design team responsible for the ACE 3000 includes Mr Lito Dante Porta, an eminent Argentine railway engineer (previously associated with M. Andre Chapelon, the French locomotive designer); Dr David A. Berkowitz and Mr William L. Wislawa.

Mr Chapelon and Mr Porta achieved a high level of performance with conventional steam locomotives in Argentina, which were about 2.6 times as cost-effective as a typical diesel-electric engine, according to a British expert, Dr John Sharpe of Queen Mary College, London. On the same basis, Dr Sharpe has calculated that the cost-effectiveness of the planned ACE 3000 is about 2.8



A model of the proposed ACE 3000 steam locomotive being shown to members of the American Senate Coal Caucus.

times that of the diesel electric. Dr Sharpe, engaged as an independent consultant to examine the American locomotive proposals, is impressed by the calibre and experience of the designers. The proposals, he says, represent an attractive workable solution for the railroads to the problems of rising liquid fuel costs and uncertainties over supply.

Particularly impressive, he says, is the operating convenience which the design offers—the use of containerized coal and ash packs, the fully automatic controls, the within balanced drive system, the use of 54in driving wheels which reduce wheel/rail contact stresses, and the Porta two-stage combustion system. Dr Sharpe, a lecturer in

engineering design at QMC, last year presented his own design for a coal-burning locomotive for the 1980s. He is convinced that for long-distance freight services in Australia, India, Canada, East Africa, South America and China coal provides the best solution.

The ACE 3000 is aimed specifically at the United States, while Dr Sharpe's locomotive is designed essentially for Commonwealth countries. There could be export opportunities for British industry, he believes. Thus the technology is promising and in the United States the finance to translate the design into reality is now being raised. The initial \$30m cost of the ACE project will cover the construction and testing of two prototype locomotives.

The response from certain quarters at least, has been enthusiastic. "Pardon me, boy; is that the Chattanooga Choo-Choo?" inquired an editorial in *The Virginian-Pilot*.

"Not quite," it answered: "That's the ACE 3000. It won't hurt. It won't puff. And it won't burn Opec oil."

It would, however, have a genuine steam whistle, the journal noted with approval.

There is a further, double Virginia, connexion for the ACE 3000. The first coal to be used in the new engine will come from Virginia mines and, it has been solemnly announced, the prototype christening ceremony in 1982 will be performed by Miss Elizabeth Taylor, actress and wife of Senator John Warner (Republican, Virginia).

Business Diary: We ply harder • Innocenti abroad

Geoffrey Howe's attempts to make Britain financially more attractive to live in have a little credibility yesterday with the return to these shores of Colin Marshall. He is to be the new deputy chief executive at Sears Holdings, the Irish Shoe Corporation, Selfridges and William Hill conglomerate. Marshall, 48, is giving up a post as executive vice-president of New York at Norton Simon, one of Avis, Max Factor, Canada Dry, after the drop in share price. He came into contact with Sears—on the losing side—in 1974 when British group was trying to get a foothold in Avis, which he was chief executive. Although Norton Simon won the day, Geoffrey Maitland, Sears's chief executive, is his apparent to the 72-year-old chairman, Leonard Archer, kept in touch with Marshall.

Sue Crowley (right) and Alyson Hodgson (far right) carried off the honours in yesterday's Cavendish Cup awards for women hotel and catering managers.

Miss Crowley, who is 26 and the manager of Comfort Hotel in Henry VIII in London won a cheque for £200 and Lanson champagne and a Lanson rose bowl as well as the cup itself. This is a fine art nouveau bronze of the dancer Loie Fuller by Charles Louchet.

Miss Hodgson, 24, who is a manager with Truhouse Forte caterers Gardner Merchant at Newbury, won the under-25 award, a tantalum from distillers William Grant and Sons.

The cup is named after Rosa Lewis's (now TEF's) Cavendish Hotel in Jermyn Street and is sponsored by TEF and Catering Times. I asked the latter's editor, Miles Quest, whether any Savoy Group girls had



Photographs: Jonathan Poyser

entered and he said "No, don't be silly." When I asked Miss Crowley whether she would have preferred the tantalum, which does not have to be given back, she replied diplomatically: "It's very nice."



Photographs: Jonathan Poyser

What would she do with the bronze? At first she said "Put it on my mantelpiece" and then: "I'll put it in my chairman's office, so that he doesn't forget me." Should so far.

Kenneth Baker, Minister for Industry and Information Technology, brought little comfort to hard-pressed delegates at the British Textiles Confederation conference in Harrogate yesterday, but he was at least dressed for the occasion.

He wore a sporty-looking two-piece worsted suit made for him in four hours the previous day during a visit to the Centaur Clothes factory at Leeds. The minister chose the cloth and the style.

Baker was well pleased, although by Yorkshire standards, it hardly qualifies as a rush job. Fifty years ago, in Huddersfield, wool was sheared from a sheep and made up into a suit in 2 hours 9 minutes and 46 seconds—still the record.

Ministers are required to pass on gifts to their department, although as this is a little pointless in the case of a made-to-measure suit Baker will instead make a contribution to a clothing industry charity.

Cornhill Insurance Company is so proud of its cricket sponsorship that the back of the latest annual report shows an eminent cricketer filling in a motor insurance "self-assessment" form, designed by Cornhill to create new business for brokers. This particular assessment is of some interest, for the cricketer is Ian Botham, who in December was fined £80, banned from driving for a month and had his licence endorsed for the second time after driving at up to 120 mph on the M5.

Ross Davies

Alexander Howden Group Limited

International Insurance.



1979 £'000	1980 £'000	
59,128	65,383	Trading and investment income (excluding the insurance companies)
22,521	23,060	Profit before Interest Charge
2,501	3,055	Interest Charge
20,120	20,005	Profit before Taxation
8,220	7,976	Taxation
6,348	6,366	Dividends
12.79p	13.10p	Earnings per share

Stock markets

Prices surge ahead in strong rally

Equities staged another strong rally yesterday, still taking their cue from the overnight strength on Wall St.

Prices surged ahead from the start supported by brisk institutional support. However, this conditions again made trading for the jobbers difficult with most rises tending to be exaggerated. Sentiment was again a further boost by Wednesday's optimistic remarks from Sir Geoffrey Howe, the Chancellor, which pointed to a bottoming out of the recession by the second half of 1981.

Another long list of trading statements kept dealers busy along with speculative attention directed at many of the recovery situations, particularly among blue chips. Brokers also reported lively interest in new buying ahead of the new account on Monday.

Having registered a rise of 12.0 at 2 pm, the FT Index closed 11.5 higher at 518.9, after profit taking on the news that Wall St had opened lower in the first hour of trading. But this left the index at its highest level since May 23, 1979, when it stood at 522.4.

The renewed activity in equities boiled over into gifts where investors eagerly await first-time dealings in index-linked Treasury 2 per cent 1996 later this morning.

Jobbers were reluctant to predict the reception the new stock would receive, but confirmed earlier reports that bids

were being lodged at between £105 and £115.

With yesterday's market looking oversold and jobbers keeping their books light, prices responded quickly to inquiry. In long, prices extended to £1 while at the shorter end prices closed the day £1 higher on balance.

Shares of Sirdar rose another 2p to a new high of 165p yesterday, making a gain of 8p on the week so far. This follows a circular from brokers Gittins & Co which recommends the shares as a "good buy".

Leading industrials saw selected buying among engineering stocks, helped by the better than expected figures and maintained dividend from Lucas Industries up 3p at 177p. Others to follow in its wake included GKN, 3p to 149p, Hawker Siddeley, 3p to 306p, Tubes 3p to 208p, Metal Box 3p to 186p and BOC International 3p to 124p. Elsewhere ICI edged ahead 2p to 338p, Glaxo 6p to 300p, Unilever 7p to 503p, Fisons 5p to 160p and Grand Metropolitan 3p to 191p. Only Dunlop suffered a setback, slipping 1p to 69p, after recent bid speculation, in anticipation of bearish comment today.

Building shares remained in demand with institutional buying again keeping jobbers on the hop in a thin market. Blue Circle Industries stood out with

a 12p rise to 420p, with smaller gains in Taylor Woodrow, 10p to 561p, Myson, 3p to 42p, Redland, 4p to 184p, Manders, 10p to 164p and Mixconcrete 7p to 74p. The last two after favourable profits news.

But nervous offerings were seen in Nationalist Chinese Bonds with falls in China 5 per cent 1913 £3 to £10, China 5 per cent 1912 £3 to £16 and China Engineering 4 per cent £4 to £22.

The Monopolies go-ahead for a full scale bid for British Sugar saw S. & W. Rensford slide 1p to 111p while British Sugar itself added another 8p to 291p. Royal Bank of Scotland surged ahead to 148p on talk of better terms, but ended the day 1p better at 144p as Standard & Chartered closed 2p higher at 659p.

Speculative attention benefited Bauld Pulp 2p to 140p, Westwell 9p to 87p, Reedwood Smith 'A' 5p to 16p, De La Rue 25p to 675p, Howard Machinery 4p to 34p and Lec Refrigeration 10p to 118p.

Among companies reporting favourable trading statements lifted Broomfield 4p to 39p, Costas Bros 5p to 52p, Howden Group 1p to 136p, BSA Group 1p to 26p, while Lonsdale Universal, at 32p, and Friedland Doggart, at 91p, both closed unchanged. Recent profits news boosted Bestobell 26p to 398p, Percy Lane 5p to 44p and Church & Co 13p to 178p. But still reflecting Tuesday's disappointing

news, Ricardo Engineering Consultants dropped another 12p to 478p. Babcock International rose 3p to 109p and Smiths Industries 6p to 350p ahead of figures soon.

Insurance shares were again in the doldrums following the recent spate of poor figures. Prudential eased 3p to 235p, Eagle Star 2p to 241p on the back of Wednesday's statements, while Legal & General, reporting next week, drifted 2p to 243p and Phoenix Assurance held its own at 278p. Among the rest of the composites, Commercial Union added 5p to 171p, ahead of going ex-div next week, along with General Accident, 6p to 338p, and Insurance, 2p to 300p while GRE remained unchanged.

The recent nervousness in shares of Plessey over its British Telecom contract continues. Yesterday saw another one million shares go through the market at 315p making two millions in the past week. Yesterday the price rallied with the markets, climbing 4p to 315p.

Banks paid no attention to the escalating clerical workers strike with improvements in Barclays, 3p to 383p, Midland, 3p to 321p, Lloyds, 2p to 325p and National Westminster 3p to 351. Improved profits added 12p to Kleinworth Benson at 284p and Berkeley Hambro 15p to 265p.

Stores also made steady progress with GUS 'A' wanted 2p higher to 126p. Marks & Spencer 1p to 126p, Debenhams 2p to 90p and British Home Stores 2p to 160p. J. H. P. was wanted ahead of figures next month, up 6p to 120p, as speculative attention carried Austin Reed 'A' up a similar figure at 96p.

Equity turnover on March 25 was £166.24m (25,333 bargains). Active stocks, according to the Exchange Telegraph, were, Lasso, Premier Oil, Shell, ICI, BP, GEC, ICI, Plessey, Traded Options: Dealers reported increased activity with total contracts reaching 1,264, of which Grand Met accounted for 298.

Traditional options had a quiet day with calls in British Land at 71p, Conex at 11p and Norfolk Capital Hotels at 4p.

Imperial Group expects interim profits to slump

By Our Financial Staff

Imperial Group, the brewing to tobacco concern, will see a substantial profits fall in the first half, Mr Malcolm Anson, the chairman, said at the annual meeting in London. But the shares rose 15p to 69p.

He told shareholders that although profitability had improved in recent weeks with the tobacco and brewery divisions helped by pre-Budget buying, the adverse conditions that depressed last year's second half profits had continued in the early months of the current year.

The effects of the Budget would influence the interim results to April 30, and the full-year profits would depend on the extent of improvement in the second half. Last year Imperial made pre-tax profits of £12.8m compared with £14.2m the previous year.

Mr Anson added that many uncertainties overhanging the trading environment with consumer reaction to the Budget were to emerge. Most of the group's businesses have some bias towards the summer, particularly Howard Johnson, the American motels and restaurants business, and he expects second half trading results to be well above those of the first.



Mr Malcolm Anson (right), chairman and chief executive of Imperial, pictured at yesterday's meeting with Mr J. Higgins, a non-executive director.

He also said that while he supported the Government's general approach to the management of the country's affairs, he regretted that the Budget placed such a discriminatory load on drink and tobacco.

"There are many millions of people who want to consume these commodities at a reasonable price and they should not be harassed by propaganda or oppressed by discriminatory taxation," he said.

Imperial took over Howard Johnson last June at a cost of £280m. It is now studying the motor lodge business and the restaurant operation, which needs restoration if it is to make the most of its environment, Mr Anson said in his statement.

Audit changes suggested for Lloyd's members

By Richard Allen

A suggestion that accounting and audit requirements for members of the Lloyd's insurance market should be brought into line with current company law principles has been made by the Consultative Committee of accountancy bodies.

In a memorandum to the Committee of Lloyd's, which is seeking views on recommendations in the Fisher Report on self-regulation, the committee urges that efforts should be made to enable auditors to report on Lloyd's syndicate accounts in "true and fair" terms.

The accountants are also concerned that the private means of Lloyd's members should be closely scrutinized on admission and regularly monitored.

Coates holds dividend after £2m setback

By Peter Wainwright

Coates Bros, the maker of printing inks, synthetic resins and other industrial chemicals, saw pre-tax profits fall last year to £7.48m from £9.6m. Turnover rose from 195.2m to £103.2m.

The group explains that the accounting basis has changed. It now strikes historic profits after historic depreciation only. In the past the group allocated an extra sum as a contribution to fixed asset replacement.

In 1979 this was £1.1m, a hefty addition to historic profits of £1.0m. In 1980 the extra depreciation would have been £1.3m. The accounts will of course include a current cost profit and loss account with appropriate depreciation provisions.

Meanwhile, it is clear that the change does nothing to alter the direction of profits.

A provision of £264,000 for reorganization is treated as an extraordinary item. However, an unchanged gross final dividend of 3.03p keeps the total payment at 4.29p. Earnings a share slipped from 13.33p to 11.64p.

Sir Richard Meyjes, chairman, reports that business worsened quickly in the second half of the year. He adds that the early months of 1981 show no further deterioration but as yet there has been no real sign of an upturn.

Coates has suffered from big increases in the price of raw materials such as petrochemicals which are 70 per cent of all raw material purchases.

Costs push Gestetner down in first quarter

The annual meeting of Gestetner Holdings was held by David Gestetner, joint chairman, that showed an improvement in turnover for the first quarter was insufficient to cover increased costs. Profits for the quarter were lower than the same period last year.

Although the immediate future appears uncertain, the board is confident that the group, with its unique direct sales and service network, in a particularly strong position to take full advantage of a recovery in the United Kingdom and world economies.

Manders rises to £3.5m pretax

Manders (Holdings), registered turnover for 1980 of £24.1 (£30.9m). Pretax profit reached £3.77m against £2.8 (£3.9m). The dividend went from 6.28p to 6.8p gross. The board says there is a substantial reduction in the cost of decorative and printing activities in the United Kingdom.

Crown House letter to Denbyware holder

In a letter to shareholders, Denbyware, Mr Patrick E. Partington, chairman of Crown House, says that the only viable conclusion to be drawn from the letter from Mr R. R. R. is that he and other directors of Denbyware are unable to advise shareholders to sell the Crown House shares on the basis of Denby's trading performance and prospects.

Assam Trading buys industrial estate

Assam Trading (Holdings) through its subsidiary, Co Properties, is to purchase partly developed industrial estate at Fossilpark, Glasgow from Pilkington Industries for £85,000. The estate consists of a 76,000 sq ft of modern warehouse accommodation about 2.5 acres of adjoining land.

Harris & Sheldon holds dividend

Although turnover of Harris & Sheldon Group (H&S) for 1980 was £15.33m (£18.25m in 1980), pretax profit fell from £4.52m to £4.1m. Earnings per share are 4.75p to 5.1p, but the dividend is being maintained at 4.28p gross.

Half-time loss at William Boulton

The William Boulton group of machinery manufacture tumbled to a pretax loss of £487,000 in the six months December 31 last, compared with a profit of £294,000 in the same period.

Turnover slipped £12,000 to £11.8m. No dividend is being paid; year, shareholders received interim of 0.71p gross, followed by a final of 1.21p. The board expects the group to be trading profitably in 1981-82.

Leyland Paint

Leyland Paint and Wallpa has cut its dividend for 1980 from 4.25p to 1.43p gross. 1.43p gross is a profit of £764,000.

The board says that the sale of the trading conditions, and some management problems which have been right, on a CCA basis the group has a loss of £571,000 against a profit of £764,000.

Bank Base Rates

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Crdus	14%
C. Hoare & Co	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams & Glyn's	12%

* 7 day deposit on sums of £10,000 and over, 10%.

Rotaprint moves to cut borrowings

By Rosemary Unsworth

Rotaprint, the loss-making printing and duplicating group, has made a sale and leaseback deal on one of its factories to repay some of its borrowings.

The group, which reported a £518,000 pretax loss at the interim stage last September, has sold its Queensbury factory for £620,000 and leased it back for 30 years at £84,750 a year rental subject to five-yearly reviews. The funds raised will repay Midland Bank £600,000 in short-term loans. Rotaprint is also repaying £100,000 of medium-term loans to the bank, bringing that debt down to £400,000.

Borrowings, which were £3m before the sale, now stand at £400,000 in secured bank loans, an overdraft of £1.89m and advances guaranteed by the Export Credits Guarantee Department of £132,000 with hire purchase commitments of £26,000.

The bank facilities are current until May 31 and the board said that the group has sufficient working capital to meet its requirements until then. It plans to negotiate further arrangements by that date to ensure the group's continuation. Yesterday the share price rose 1p to 14p.

Since the year end is on March 31, the directors have deferred making any further financial statement until the results are published, when prospects and working capital requirements will be spelt out.

By then the new chairman, Mr David Angwin, will have taken over the reins. It is believed that he will be reporting further losses for the full year.

Rotaprint is also not making any provision in the accounts for claims for damages of 16m francs (about £1.45m) which has been brought against the group by the joint receivers and the judicial administrator of S. A. R. Geyer Fourchault, the group's former distributor in France, and the owner of the company.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212									
The Over-the-Counter Market									
1980/81	Low	Company	Price	Chg	Gross Div	Yld	P/E		
75	39	Airsprung Group	66	+2	6.7	10.2	5.9		
50	21	Armitage & Rhodes	50	—	1.4	2.8	20.6		
192	92	Bardon Hill	189	—	9.7	5.1	7.1		
98	88	Deborah Services	95	+2	5.5	5.8	4.7		
126	85	Frank Horsell	107	—	6.4	6.0	3.4		
110	39	Frederick Parker	48	—	1.7	3.5	—		
110	73	George Blair	73	—	3.1	4.2	4.1		
124	103	Jackson Group	107	—	6.9	6.4	9.7		
334	244	Robert Jenkins	325	—	31.3	9.6	3.7		
55	50	Scruttons "A"	51	—	5.3	10.4	—		
224	215	Torway Limited	215	—	15.1	7.0	3.7		
23	8	Twinkl Ord	8	—	1	—	—		
90	69	Twinkl 15% ULS	72	—	15.0	20.8	—		
56	35	Unilock Holdings	46	—	3.0	6.5	7.1		
103	81	Walter Alexander	100	—	5.7	5.7	4.9		
263	181	W. S. Yeates	259	—	13.1	5.1	4.9		

Bemrose down 70 pc, but upturn forecast

By Rosemary Unsworth

Bemrose, the Derby-based printing and packaging group, saw pre-tax profits fall by 70 per cent last year to £138,000 compared with £1.14m the previous year.

Exceptional redundancy costs amounted to £397,000 while interest charges increased from 1992,000 to £1.36m. Turnover rose by £1.6m to £48m in the year to December 27.

Bemrose has now closed its loss-making book publishing division, with the exception of the profitable National Union Catalog. The division incurred losses of £500,000 and with a withdrawal from the operation has cost £2.78m in extraordinary items. Pretax profits of the group's continuing operations, before redundancy costs, came to £1.6m.

Although the group is paying a final dividend of 2.14p gross, reduced from 3.2p, the interim was passed. But Mr Gordon Brunton, the chairman, said that although this year was unlikely to bring any marked improvement in the market place a significant recovery in group profits was expected, which would enable the board to recommend higher levels of distribution to shareholders.



Gordon Brunton, chairman of Bemrose.

Besides the difficulties in the packaging business, which is severely hit by the recession, the strong pound and competition from overseas. About 500 employees throughout the group have been made redundant.

But Bemrose added that its main printing activities in Derby, which include security printing, have made record profits after the installation of new equipment and a move into new markets.

Electrolux plunges despite sharp export improvement

By Margaret Pagano

Trading in 1980 proved extremely tough for Electrolux Group, the wholly owned subsidiary of the Swedish AB Electrolux concern, and the outlook for this year is no better.

Pretax profits to December were nearly halved at £7m despite sales higher by 8 per cent at £147.8m. But without the 50 per cent profit increase from exports, results from United Kingdom trading would have been even further depressed. Exports sales were up by 33 per cent to £35m, with Iran the group's largest market.

Sir Alex Page, chairman, said yesterday that the domestic appliance "white goods" company, Electrolux Ltd, had been hard hit by difficult United Kingdom trading. Pretax profits fell to £2.7m from £9.5m on sales of £93.9m against £95.1m. Short-time working continued, he said.

The consumer market was badly affected by destocking and prices had not risen to meet soaring costs. Cheaper imports, particularly vacuum cleaners from Eastern Europe and refrigerators from Spain and Poland, had taken an increased share of the United Kingdom market, he added.

Briefly

Noble and Lund: Turnover for year to November 31, £1.51m (£2.23m). Net profit £174,500 (£258,000) after tax credit £32,000 (charge £321). Eps 3.06p (1.19p). Dividend, 1.11p gross (0.6p). Order book has improved since year end but there is no substantial increase in trading it is unlikely that level of dividend will be maintained in current year.

Hollas Group: In circular giving further details of proposed acquisition of Town and Country Developments, Mr A. R. Lawson, chairman, said, current trading of Hollas continues to be satisfactory and board considers prospects for enlarged Hollas Group are good.

News International: Dividend at 4.05p gross declared on special dividend shares payable April 23. Crosby House Group: No dividend (same) for 1980. Turnover £8.20m (£10.01m). Pretax profit £144,000 (loss £55,000). Eps 1.1p (loss 0.7p) and fully diluted 13.5p (loss 4.9p). CCA pretax profit £123,000 (loss £77,000) after charging exceptional loss £138,000.

William Sinclair Holdings: Dividend 1.24p gross. Turnover for half year to December 31, £12.2m (£11.68m). Pretax loss £587,000 (loss £538,000). Chairman anticipates an improvement over previous year.

Barrow Hepburn Group: Has purchased 50% of Sals Equip AB, for £57,500. Sals is a Swedish maker of industrial safety blocks.

Hawker Siddeley Group: Formal document for "1981 second offer" for Carlton Industries of 78p per share, already announced, had been issued. Independent directors of Carlton and their advisers consider terms fair and reasonable, recommend shareholders to accept, and intend to accept in respect of own shareholdings totalling 1.95 million shares (7.2 per cent).

Electric and General Investment Co: Gross income for the month to February 28, 1981, £788,000 (£807,000).

Friedland Doggart Group: Pretax profits 1980 fell from £1.48m to £821,000. Total gross dividend, 6.74p (6.35p).

W. S. Yeates (coach and car distribution): company's shares traded on over-the-counter market. Turnover for year to October 31, 1980, £22.7m (£20.38m). Pretax profits, £1.26m (£1.44m). Total net dividend, 9.17p (8.47p).

Alwood Machine Tools: Turnover for half-year to September 30, 1980, £749,000 (£749,000). Pretax profits, £7,000 (loss, £39,000). Figures include a first-time contribution from Precisionlap.

Saga Holidays climbs 15 pc

By Peter Wainwright

After the recent leap in profits at Horizon Travel it was the turn yesterday of Saga Holidays, the specialist in holiday people, to report a 15 per cent increase in its six months to December 31. Turnover rose 18 per cent to £13.9m while pre-tax profits climbed by nearly 15 per cent to £1.3m.

Saga still thinks of itself as a tour operator, but it has long had a policy of offering big discounts to customers who book early. It used to put the entire cash on deposit but two years ago it went into equip-

ment leasing of things like fork lift trucks, cranes and milk churns. Not so long ago more than half Saga's pre-tax profits came from interest on money loaned, but the decision to earmark funds for leasing has temporarily tied up a lot of it.

After discounts, investment income and leasing income totalled £529,000 in the six months against £485,000, but the big upswing in leasing income will start only at the end of this financial year. However, the entry into leasing has one valuable side effect: capital allowances on the leased assets

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Jobs lost in bank merger programme

By Philip Robinson

About 40 people have been made redundant as a result of rationalization at Charterhouse Group and Keyser Ullman in preparation for the two becoming one bank early this summer.

Mr Derek Wilde, Charterhouse deputy chairman, who is retiring at the end of April, said that Charterhouse had a number of redundancies and some natural wastage. There has been a reduction in the combined staffs of the banks by about 10 per cent since last July. I would not like to say further reductions are planned.

Charterhouse launched what is effectively an anti-stake takeover bid for Keyser last July, valuing it at £43m.

Mr Wilde said the banks were now about three-quarters of the way through the rationalization programme. Last December Mr Malcolm Wells said he was resigning as chief executive of Charterhouse Japhet, the accepting house subsidiary of the group, over differences of opinion on how the merged bank should be run.

Last month Charterhouse confirmed that Mr Jeffrey Rowley will be group chief executive and deputy chairman when Mr Wilde retires. Mr John Hyde takes up his post as chairman and chief executive of Charterhouse Japhet from the end of this month.

"We don't expect any further senior management changes," the Royal Assent for the Bill which allows the merger is expected in about three weeks.

Mixconcrete falls to £1.6m

By Peter Wilson-Smith

Increased losses on concrete pipes and lower demand for precast concrete cut profits of Mixconcrete (Holdings) from £2.3m to £1.6m before tax in 1980.

MARKET REPORTS

Commodities

COPPER bars closed lower, but notched a recovery after a morning of volatility. The metal was down 1.50¢ to \$1.25 a pound, but rose 0.25¢ to \$1.25 1/2 by 3.30 p.m. The price of copper was down 1.50¢ to \$1.25 a pound, but rose 0.25¢ to \$1.25 1/2 by 3.30 p.m. The price of copper was down 1.50¢ to \$1.25 a pound, but rose 0.25¢ to \$1.25 1/2 by 3.30 p.m.

Tin closes higher on LME

On the London Metal Exchange, tin rose 15s 6d to 1,125 1/2.

The afternoon market was further ahead as short-covering was prompted by losses in sterling against the dollar with three months' trading up to 16.25% in the ring and touching 16.50% in the late afternoon.

The morning market remained featureless in the absence of consumer off-take, although values advanced on hedge-covering as sterling eased against the dollar. Three months' trading up to 16.25% before profit-taking shaded values, while pricing support for cash found sellers reserved and the contango narrowed to 2s 6d.

The market was unaffected by the decision of the United Nations Tin Conference to end their current session one day early without reaching an agreement on a Sixth International Tin Pact.

Panacea New York stocks

The International Coffee Organization executive director Mr. Alexander de Byenro said yesterday that physical coffee stocks held by Panacea in New York, which totalled 500,000 bags on March 9, were likely to be liquidated soon.

Panacea holds no futures contracts on the London or New York terminal market, he added.

Discount market

In the discount market yesterday rates opened with a spread of bids from 12 to 11 1/2 per cent, though most houses soon found they were able to make progress by pitching their bids in the 11 1/2 per cent band.

By early afternoon, rates had eased to 11 1/2 per cent, with the close very much, anywhere between 10 and 11 1/2 per cent.

Sterling: Spot and Forward

Effective exchange rate compared to 1975, was up 9.31 to 100.5.

Indices

Bank of England Index 100.5

European Index 100.5

US Index 100.5

Japan Index 100.5

Switzerland Index 100.5

Sweden Index 100.5

Norway Index 100.5

Denmark Index 100.5

Finland Index 100.5

Ireland Index 100.5

Greece Index 100.5

Portugal Index 100.5

Spain Index 100.5

Italy Index 100.5

France Index 100.5

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Foreign exchange report

Supported by higher Eurodollar deposit rates yesterday, the dollar made a late advance to close at 162.50 against the pound.

The pound, which during the day had established a firm position, ended on offer at 162.50, a fall on the close of 125 points compared with Wednesday night's close of 162.50.

Sterling's "effective" exchange rate, calculated during the afternoon, moved up to 100.5, against 100.5 on Wednesday.

Dealers said that for most of the day business had been fairly routine and commercial, dictated by end-month book-clearing operations.

The tension in Poland continued to create uncertainty in conditions, with the D-mark again under pressure.

Sterling, meanwhile, fluctuated within narrow limits, influenced only by the usual Thursday market down and recovery before and after the M.L.R. decision.

The D-mark closed at its weakest level of the session at 2.110, compared with 2.085 overnight.

Other Markets

Australia 1.870-1.920

Bahrein 1.870-1.920

Finland 1.870-1.920

Hong Kong 1.870-1.920

Iran 1.870-1.920

Japan 1.870-1.920

Malaysia 1.870-1.920

Mexico 1.870-1.920

Norway 1.870-1.920

South Africa 1.870-1.920

Sweden 1.870-1.920

Switzerland 1.870-1.920

Denmark 1.870-1.920

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Wall Street

New York, March 26.—Stocks on the New York Stock Exchange closed lower.

The index fell 0.38 to 78.43 and the average price per share 18 cents.

The Dow Jones industrial average dropped 8.46 to 1,005.76 and declined 1.46 to 57.7 to 69.1 as volume expanded to 55,570,000 shares from 56.32 million yesterday.

Volume leader IBM lost 1/2 to 63 1/2 after gaining 1 1/2 yesterday, but Sears Roebuck tacked on 1/2 to 18 1/2.

General Motors lost 1/2 to 34 1/2, while Ford added 1/2 to 34 1/2.

Telephone 1 to 52 1/2, all in active trading. Active Federal National Mortgage lost 1/2 to 11.

Gold shares rose on higher bullion prices, ASA added 1/2 to 55 1/2, Dome Mines 27 to 90 1/2.

Oil, which made a big contribution to yesterday's gain, was weak today. Exxon fell 1/2 to 60 1/2.

California 1 to 37 1/2, Standard Oil of California 1 to 37 1/2, and Superior Oil 1 to 37 1/2.

Exxon gained 1 1/2 to 60 1/2, while Standard Oil of California lost 1/2 to 37 1/2.

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